



Institutional Presentation

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About Us

Our Manifesto

Why do we exist?

We fill a void: a global investment approach by a team based in a different geography, with a different perspective and a “boots on the ground” philosophy.



Our Manifesto

Why do we exist?

The open space we tried to fill when we launched

→ tremendous intellectual power in the global investment industry, but relatively little emphasis in our three pillars:

1. Truly global mindset
2. Belief in constant technological evolutions and disruptions as agents of change
3. Contrarian and daring attitude with disregard for institutional constraints

A different take on some well-known investment cases

Uber



FOGO DE CHÃO[®]
BRAZILIAN STEAKHOUSE

matchgroup

Our Philosophy

FCL Capital is a long term oriented, value focused, global investment company specialized in searching for unconventional and asymmetric risk/return investment opportunities.

Our mission is to find value in the confluence between globalization, global convergence and the development of new technologies and habits in the global, 21st century society.

We are proud to have a contrarian attitude and a portfolio with little correlation with most other funds and global investment vehicles.

Investment Framework

Our eternal search for inefficiencies

We look for investment edge in the overlooked corners of finance:

- Misunderstood companies, often located in emerging markets where we believe we have an edge
- Investments in new technologies that bring new habits and paradigm shifts
- Relatively illiquid and overlooked assets
- Longer term ideas and time horizon than the market average

Investment Framework

Our investment beliefs:

- Conviction and concentration → Willingness to bet in a portfolio of a **few specific big impact ideas**
- Intersection between **private equity** and **public markets**
- Global portfolio, with an emphasis in **G7** companies with a significant presence in emerging markets as well as misunderstood emerging market companies with the potential to become global 21st century champions
- **Long term value** framework and **fundamental analysis** with an **independent mindset** and **willingness** to bet against consensus
- Focus in **non-obvious** and **neglected** opportunities. We **search for alpha** in overlooked corners of finance and business

Portfolio

FCL Opportunities portfolio snapshot

On March 31st, 2023:

Position	Country	% Fund NAV
Moncler	Italy	10,6%
Go Daddy	USA	10,5%
Entain	UK	9,8%
Uber	USA	9,7%
Capri Holdings	USA	8,5%

Portfolio Concentration	
Top 5	49,1%
Top 10	84,9%
Top 15	97,8%

Currency Exposure	
USD	39,4%
EUR	18,3%
BRL	13,7%
GBP	9,8%
CNY	8,5%
HKD	8,4%
INR	1,9%

Portfolio Composition by Sector	
Consumer Discretionary	43,7%
Technology	30,0%
Healthcare	9,9%
Telecom Services	6,6%
Financials	4,7%
Industrials	2,9%
Basic Materials	0,4%

Geographic Distribution	
USA	31,4%
Europe	28,2%
China	16,9%
Brazil	13,1%
Nigeria	6,6%
India	1,9%

Portfolio Evolution

Our PIPE mentality and long-term focus makes our portfolio turnover low through the years.

	December-17	December-18	December-19	December-20	December-21	December-22	March-23
Top 1	IWG	Anta Sports	Anta Sports	Capri Holdings	Capri Holdings	Capri Holdings	Moncler
Top 2	Match Group	YY	Yduqs	Vipshop	Go Daddy	Go Daddy	Go Daddy
Top 3	Gannett	Match Group	VTB Bank	Anta Sports	Entain	Entain	Entain
Top 4	Anta Sports	Dufry	Trip.com	Entain	Fleury	Moncler	Uber
Top 5	Pandora	Xiabu Xiabu	Capri Holdings	YY	Yduqs	HelloFresh	Capri Holdings

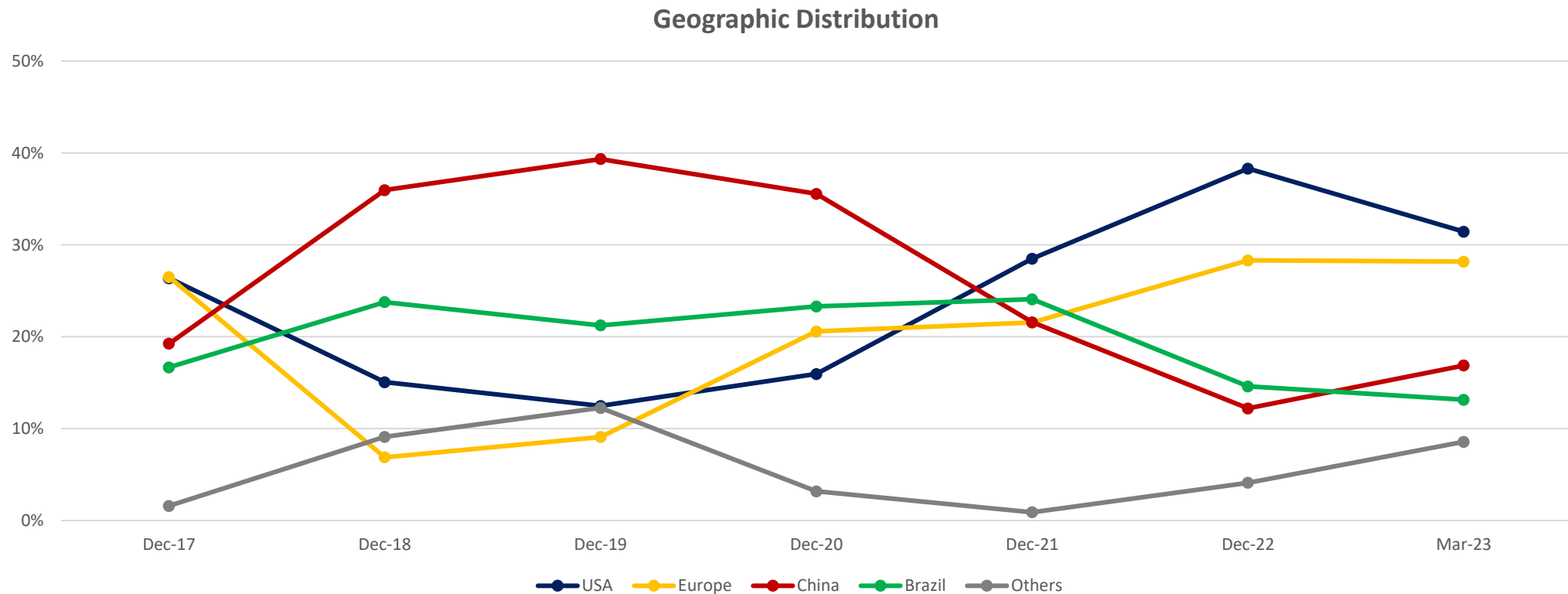
Alignment with our investors

This low turnover and longer-term focus is supported by our investors

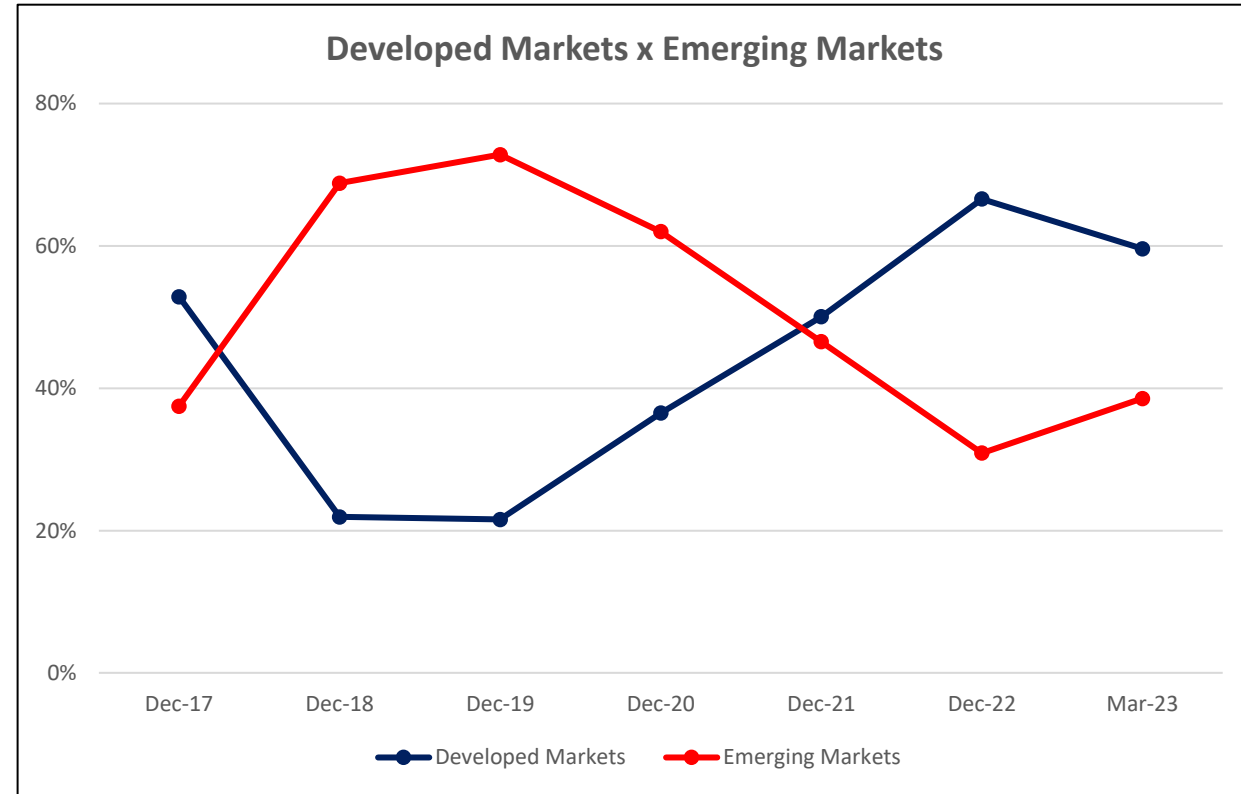
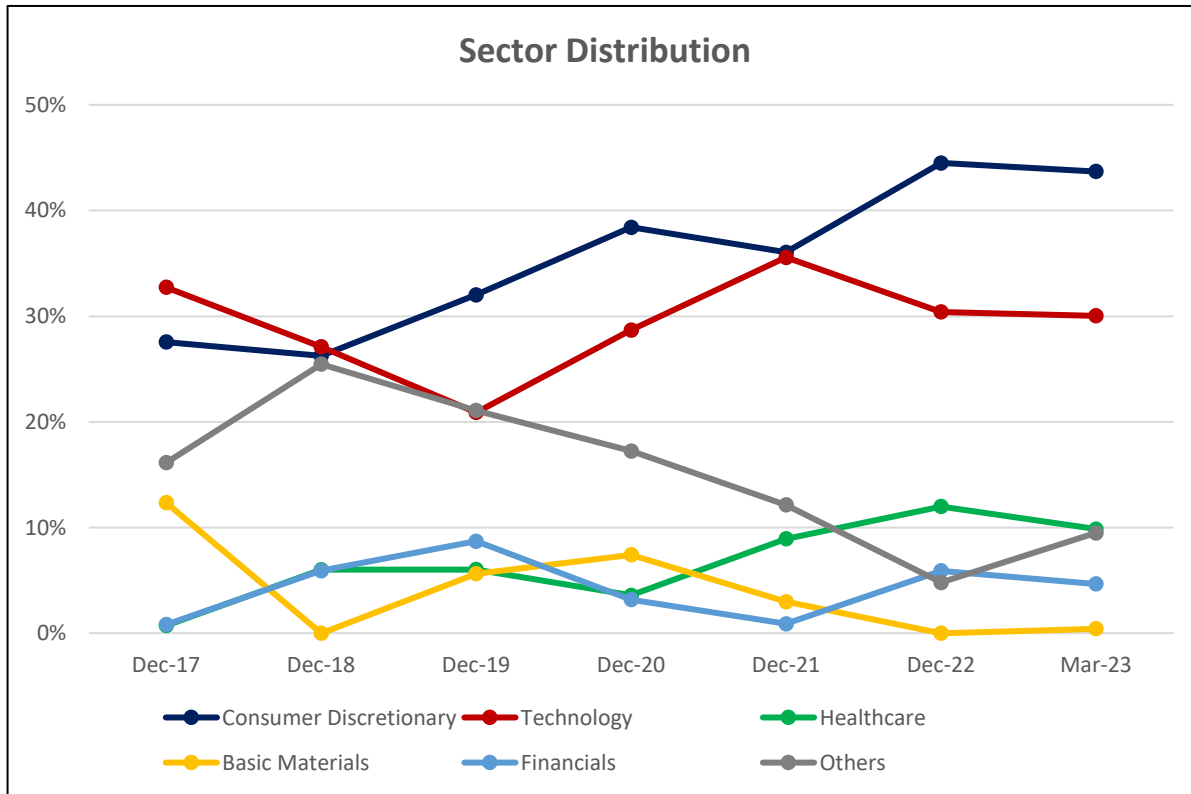
Date	Redemption as % of NAV
April-22	0,0%
May-22	-0,3%
June-22	-0,2%
July-22	-0,5%
August-22	-1,8%
September-22	0,0%
October-22	-2,0%
November-22	0,0%
December-22	-0,4%
January-23	-0,3%
February-23	0,0%
March-23	-0,3%

Evolution Through Time

That said, our portfolio does evolve through the cycles, reacting to market risks and opportunities.



A gradual change in sectors and exposures



Aggregate Portfolio

Our mission is to select long-term winners in the stock market. We search and seek companies that fill this criteria.

The result is a portfolio on March 31st, 2023, with the following characteristics:

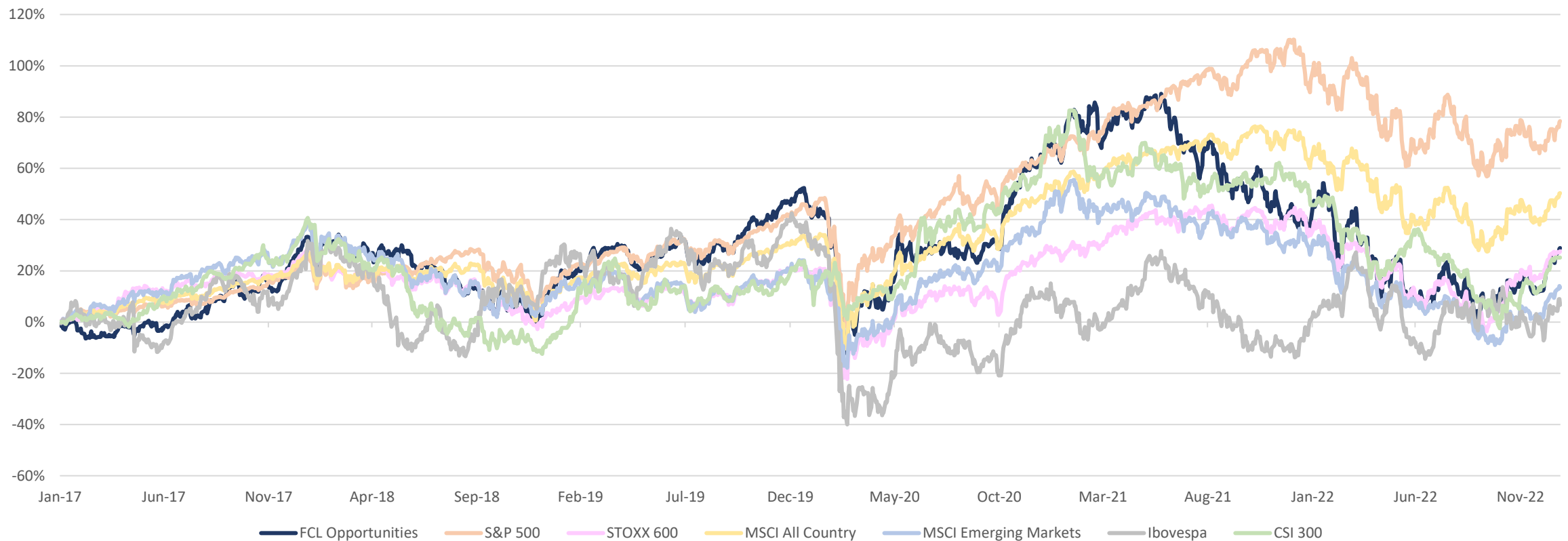
Aggregate Portfolio (in USD)	
Sales	9.144.609.653
Gross Profit	4.527.710.332
Gross Margin	56%
Net Income	581.779.161
CAGR, last 3 Years	27%
Market Cap	27.628.365.048
P/E	24,2x
Free Cash Flow	1.197.094.471
Enterprise Value	27.949.016.655
FCFY	4,2%
Revenue Distribution	
- Europe	24%
- USA	29%
- LATAM (mostly Brazil)	14%
- China/Asia	28%
- Africa	6%

Performance

...through the cycles

FCL Opportunities x Global Equity Indexes - Since Inception

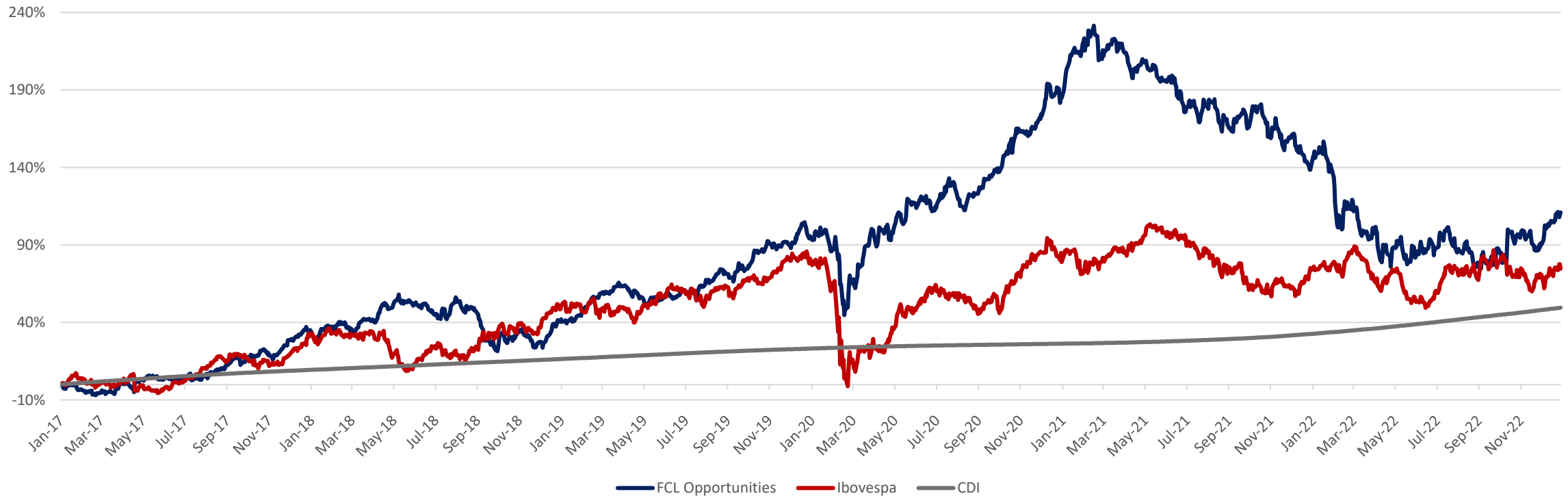
Emerging markets underperformance puts us in the middle of the pack so far...



FCL Opportunities x Brazilian benchmarks - Since Inception

While comfortably outperforming Brazilian market references

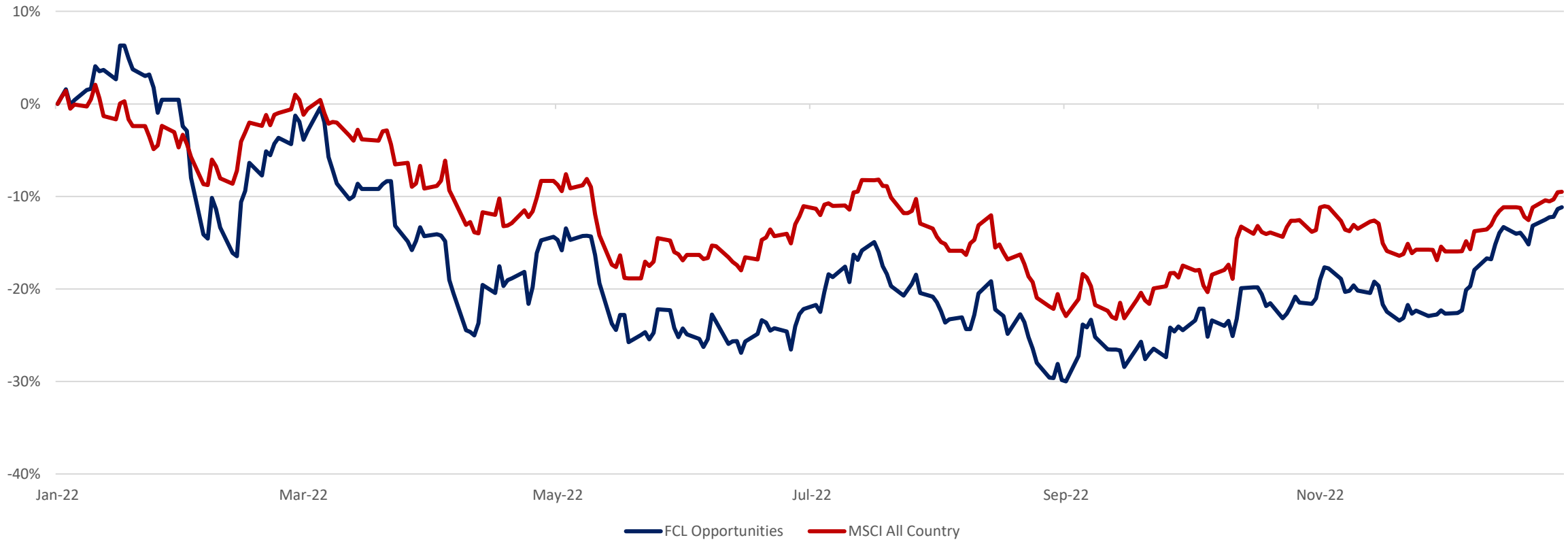
in BRL



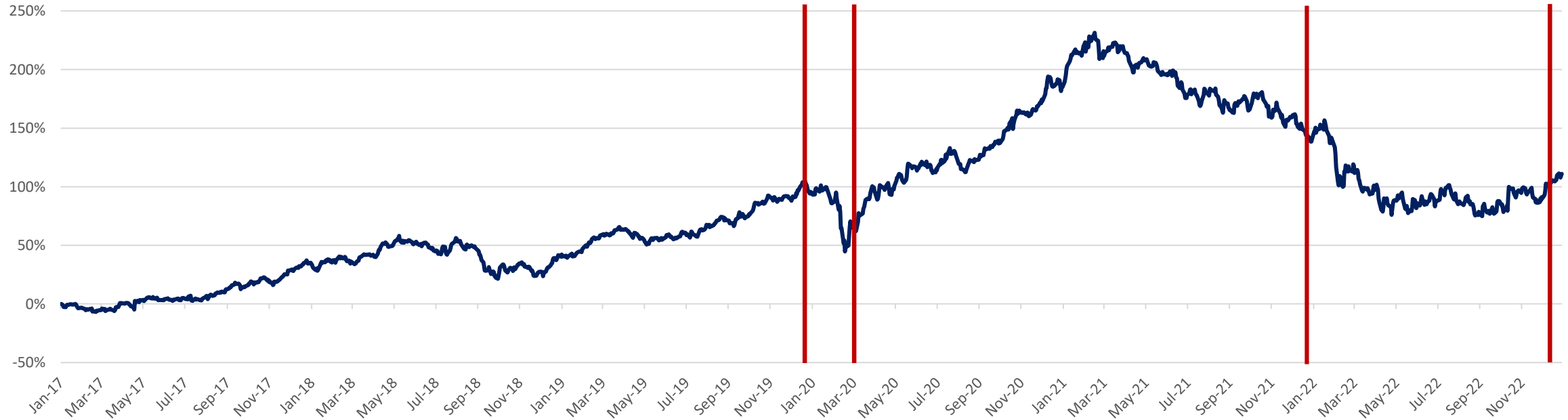
FCL Opportunities x MSCI All Country Index - Since Inception



FCL Opportunities x MSCI All Country Index - TTM

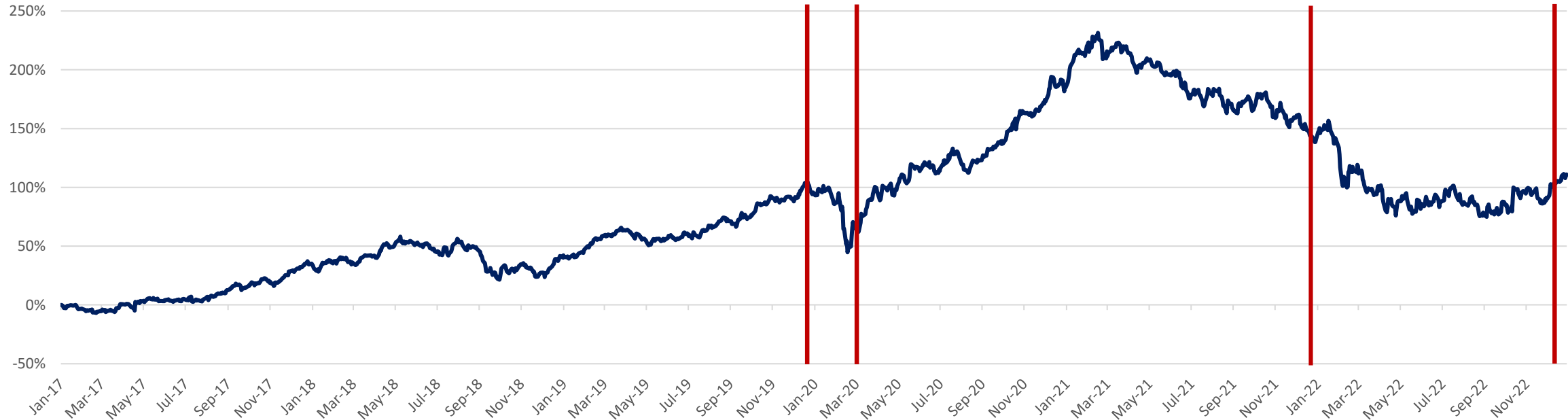


Ups and downs through the cycles



Date	in BRL	
	NAV	Annualized Return Since Inception
January 30 th , 2020 - pre-pandemic	1,95	24,88%
March 30 th , 2020 - pandemic panic	1,67	17,45%
January 31 th , 2022 - 5 year anniversary	2,47	19,82%
January 30 th , 2023 - market sell-off	2,08	12,96%

Ups and downs through the cycles



Key takeaway:

Compounded annual return varies through cycles, but we aim for annualized returns north of 20% after market upswings. FCL Opportunities has larger swings than the S&P 500 due to concentration in tech, consumer discretionary, smaller caps and emerging markets.

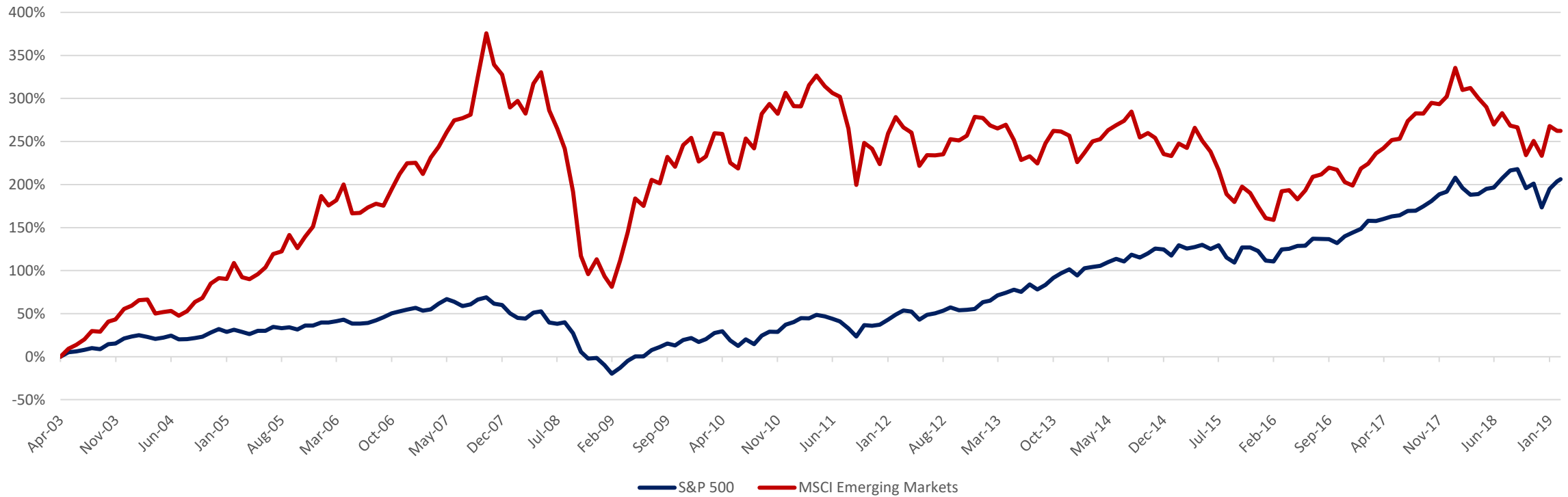
S&P 500 x Emerging Markets



Emerging Markets – Expanded View

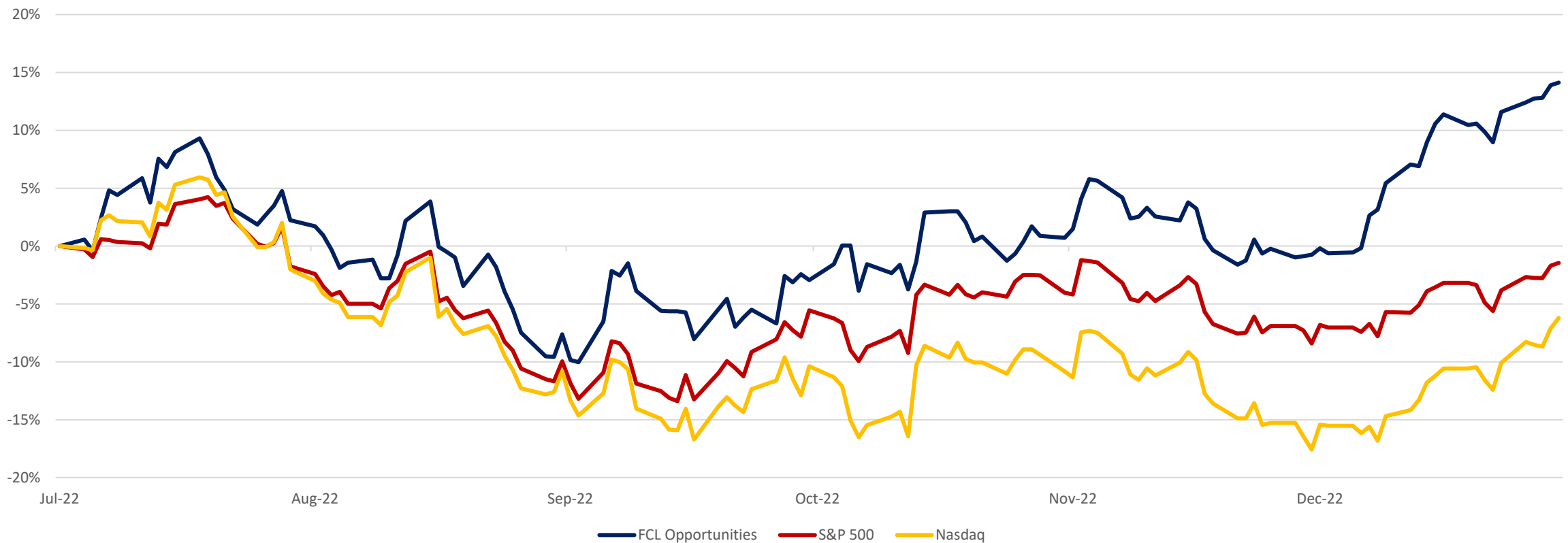
But the cycle always changes...

S&P 500 x Emerging Markets, 2003 - 2019



FCL Opportunities x S&P 500 x Nasdaq, past 6 months

But the cycle always changes...

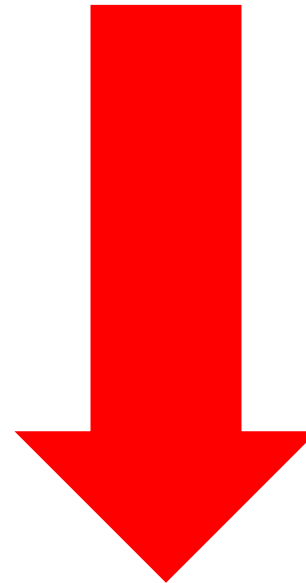


Performance Attribution – Since Inception

Top 2 contributors:



Top 2 detractors:

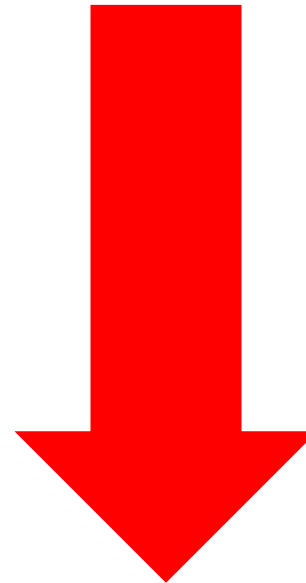


Performance Attribution – 2022

Top 2 contributors:



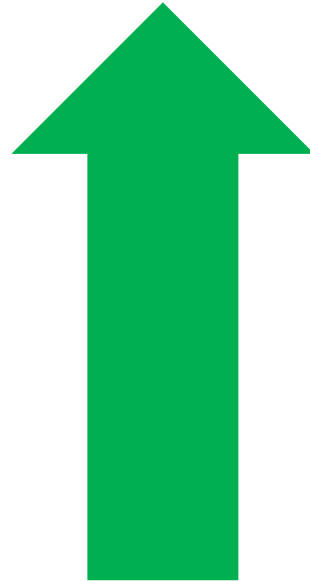
Top 2 detractors:



Performance Attribution – Since Inception

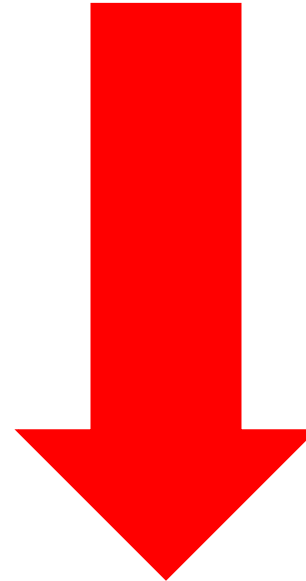
Contributors:

China: +63,9%
USA: +59,4%
Brazil: +5,4%
Europe: +5,4%
India: +5,0%



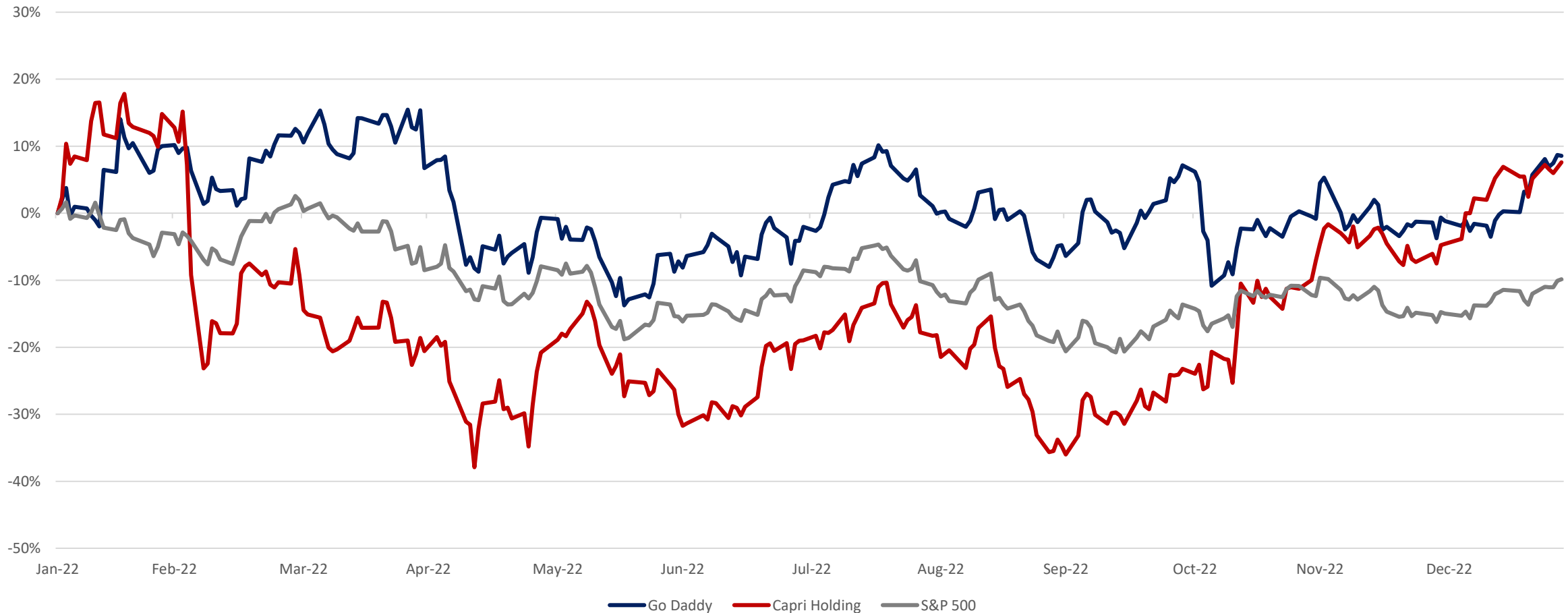
Detractors:

Russia: -0,3%



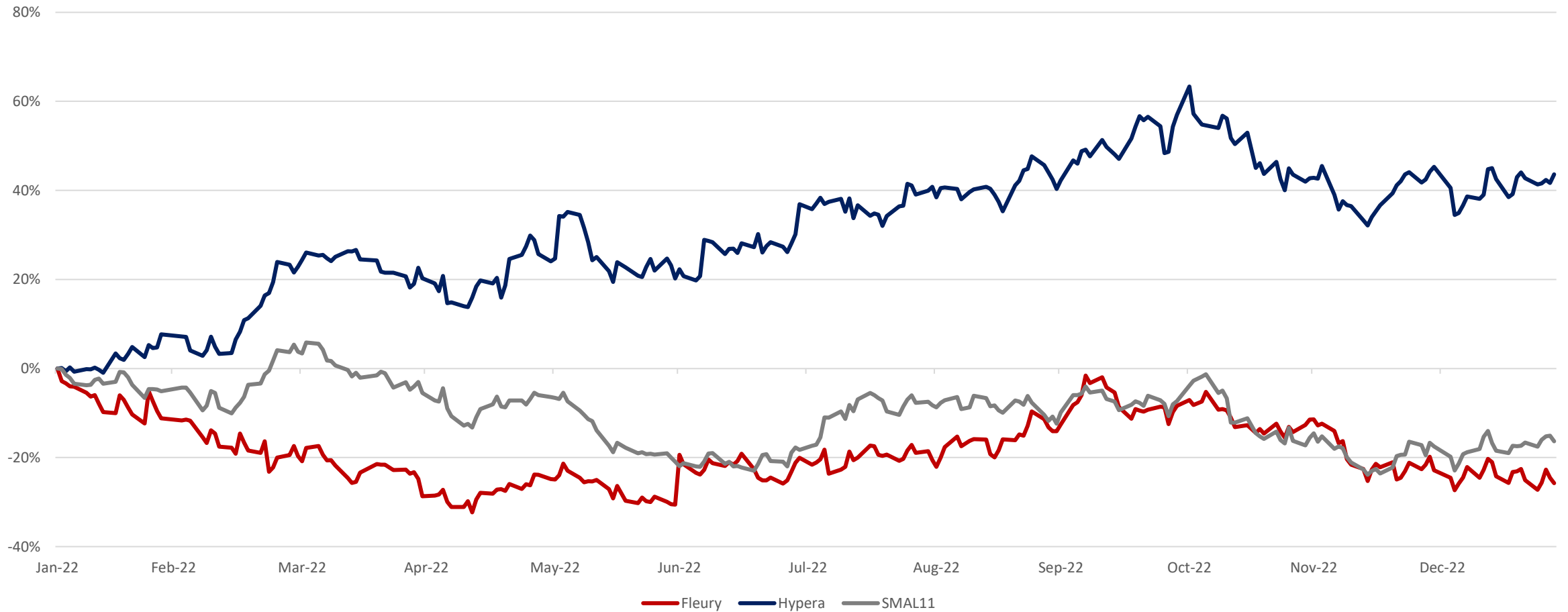
Stock picking was able to mitigate our exposure disadvantage

Go Daddy x Capri x S&P 500



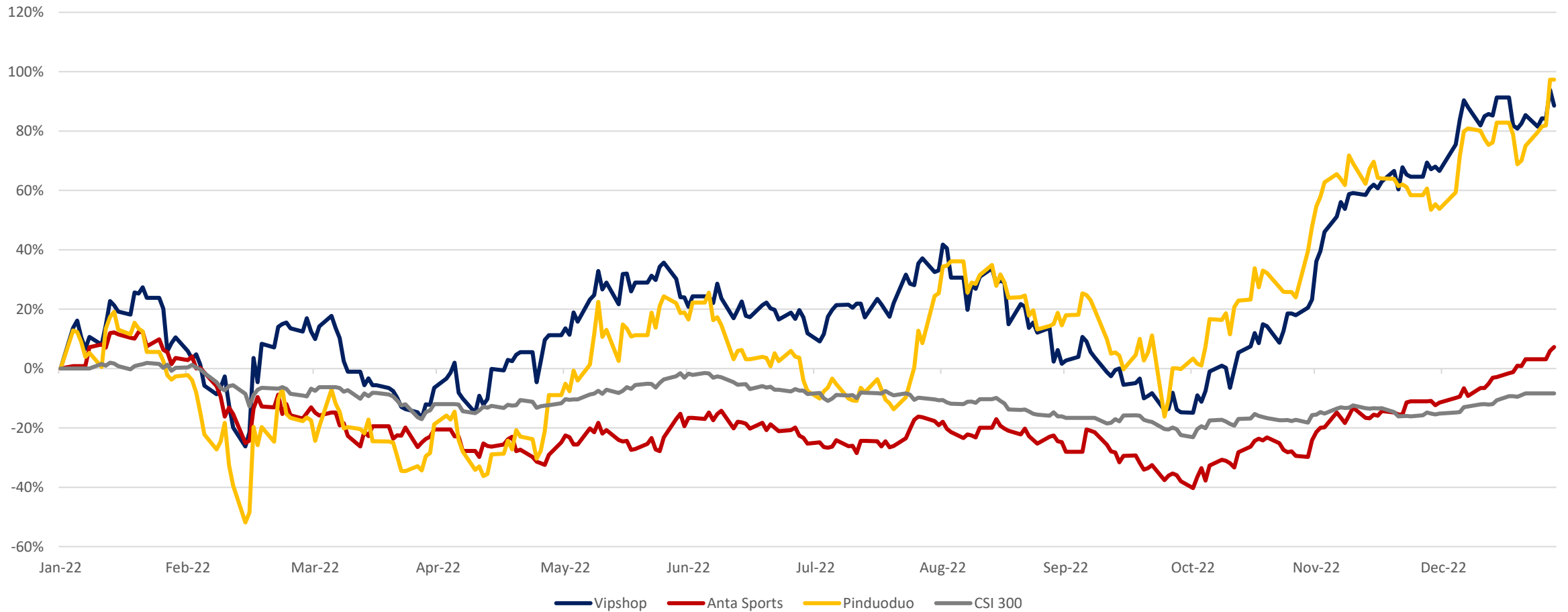
Stock picking was able to mitigate our exposure disadvantage

Fleury x Hypera x SMAL11



Stock picking was able to mitigate our exposure disadvantage

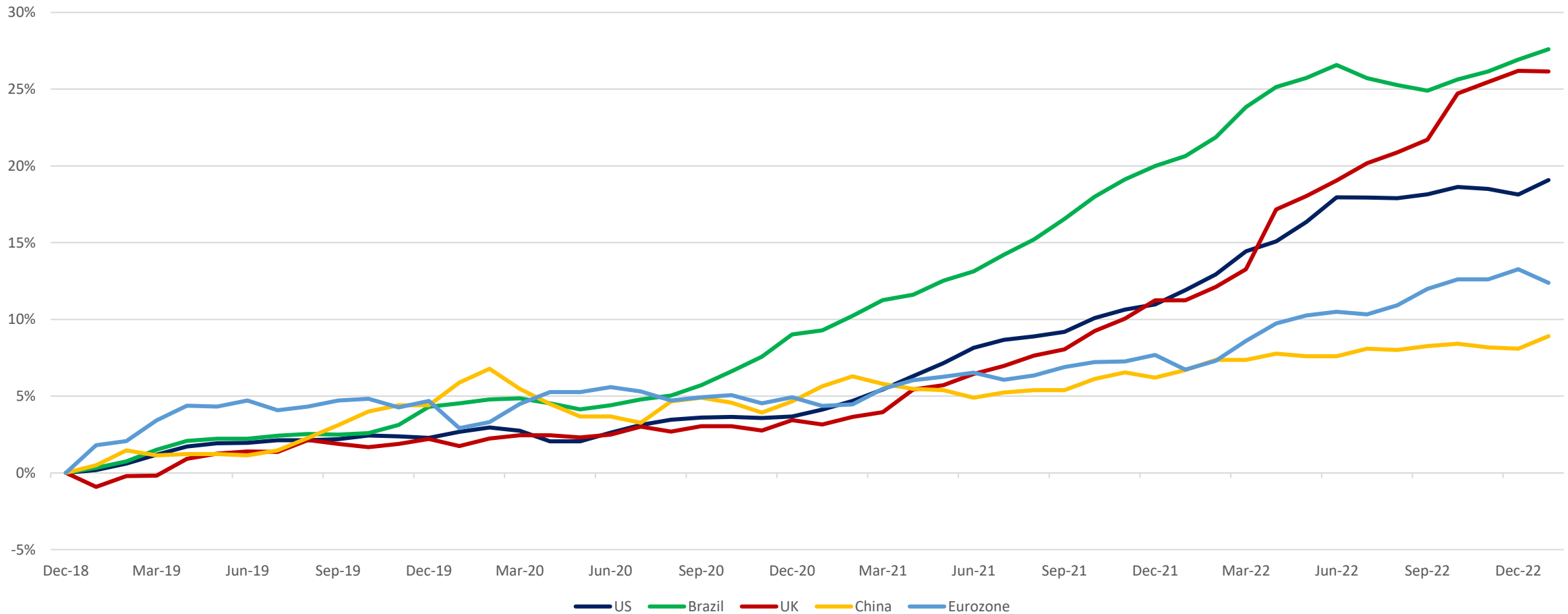
Vipshop x Anta Sports x Pinduoduo x CSI 300



Macro Perspectives

The problem... global inflation

Local cumulative CPI, 2018 - 2022



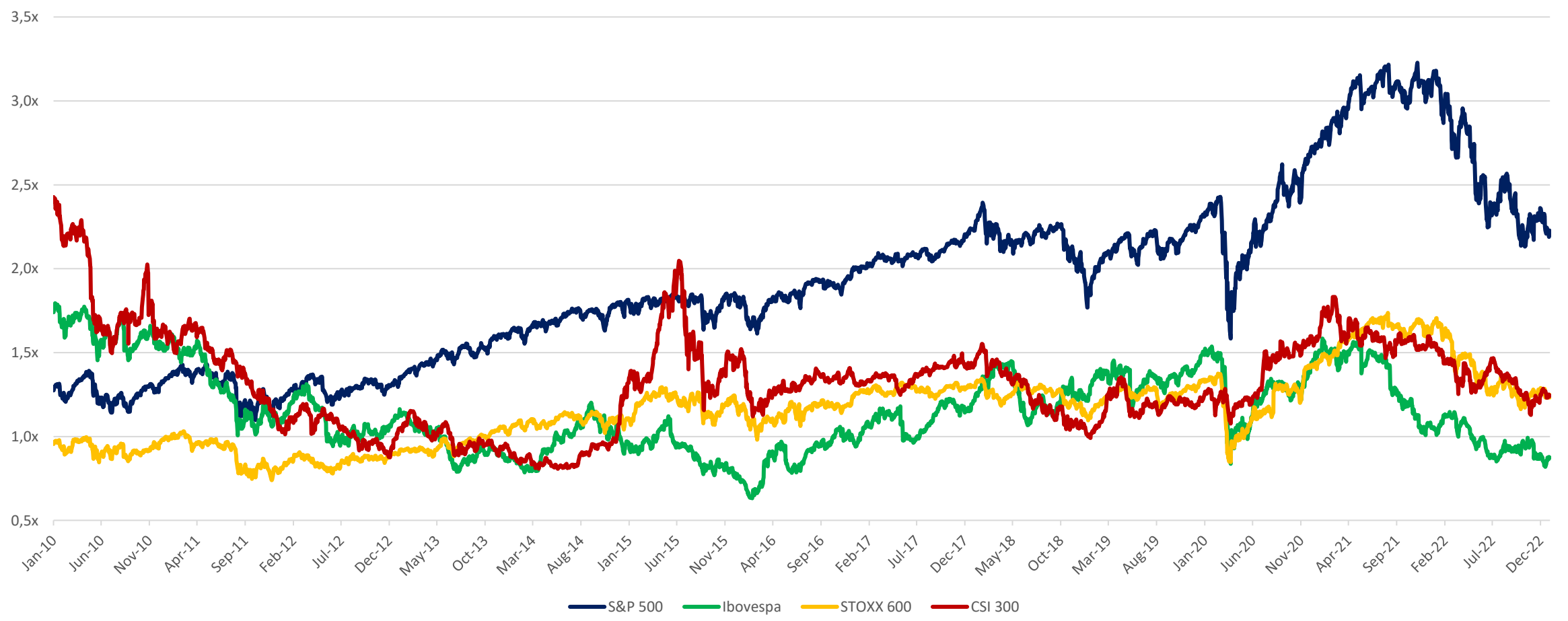
The problem... global inflation

Current interest rates & expected GDP growth

	Interest Rates	2023 Expected GDP Growth (IMF)
US	4,75% - 5%	1,4%
Eurozone	3,75%	0,7%
China	2,75%	5,2%
Brazil	13,75%	1,2%

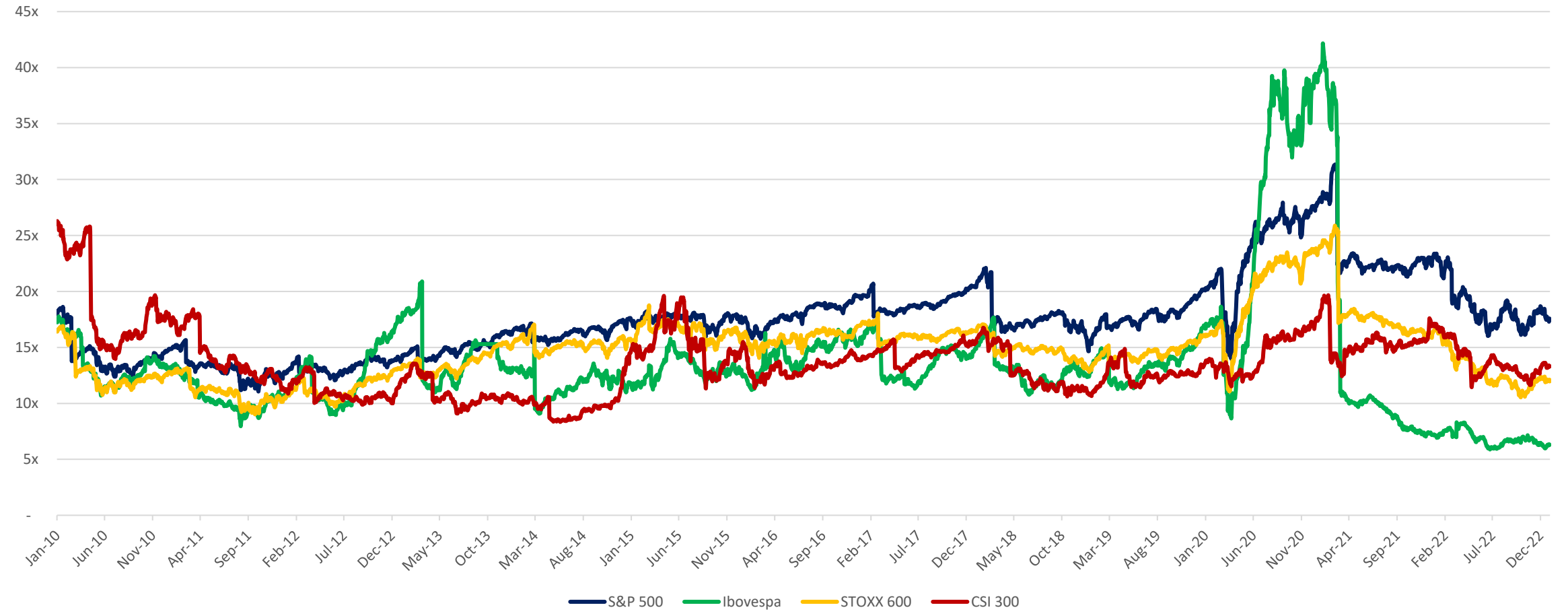
The defense mechanism

Historical Price/Sales Ratio, 2010 - 2022



The defense mechanism

Historical Estimated Forward P/E Ratio, 2010 - 2022



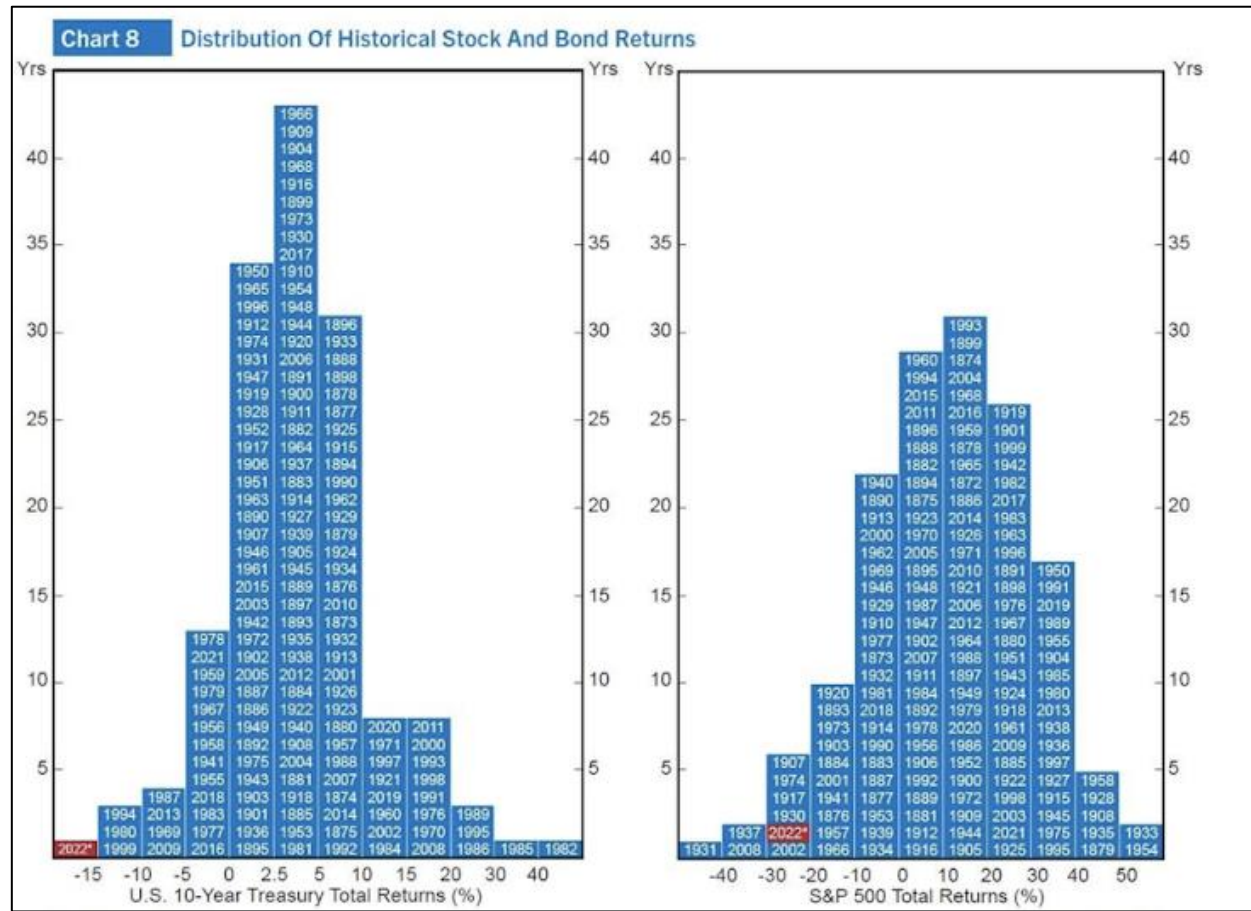
The US Dollar Index (DXY)

The American currency should stop being a headwind and become a tailwind



The Magic Box

10% annual returns, but at a high cost



Source:
Alpine Macro

A Great Entry Point?

FCL Opportunities' 12 months performance could turn positive from June (base effect)

Our long-term focus is and always will be compounded annual US dollar returns and, over time, USD and BRL performances should converge.

in millions USD		2018	2019	2020	2021	2022	2023 Est.	2024 Est.
Capri	Market Cap	9.369,90	6.905,20	1.743,80	7.591,20	7.281,70	-	-
	Free Cash Flow	942,00	513,00	636,00	513,00	573,00	628,10	729,10

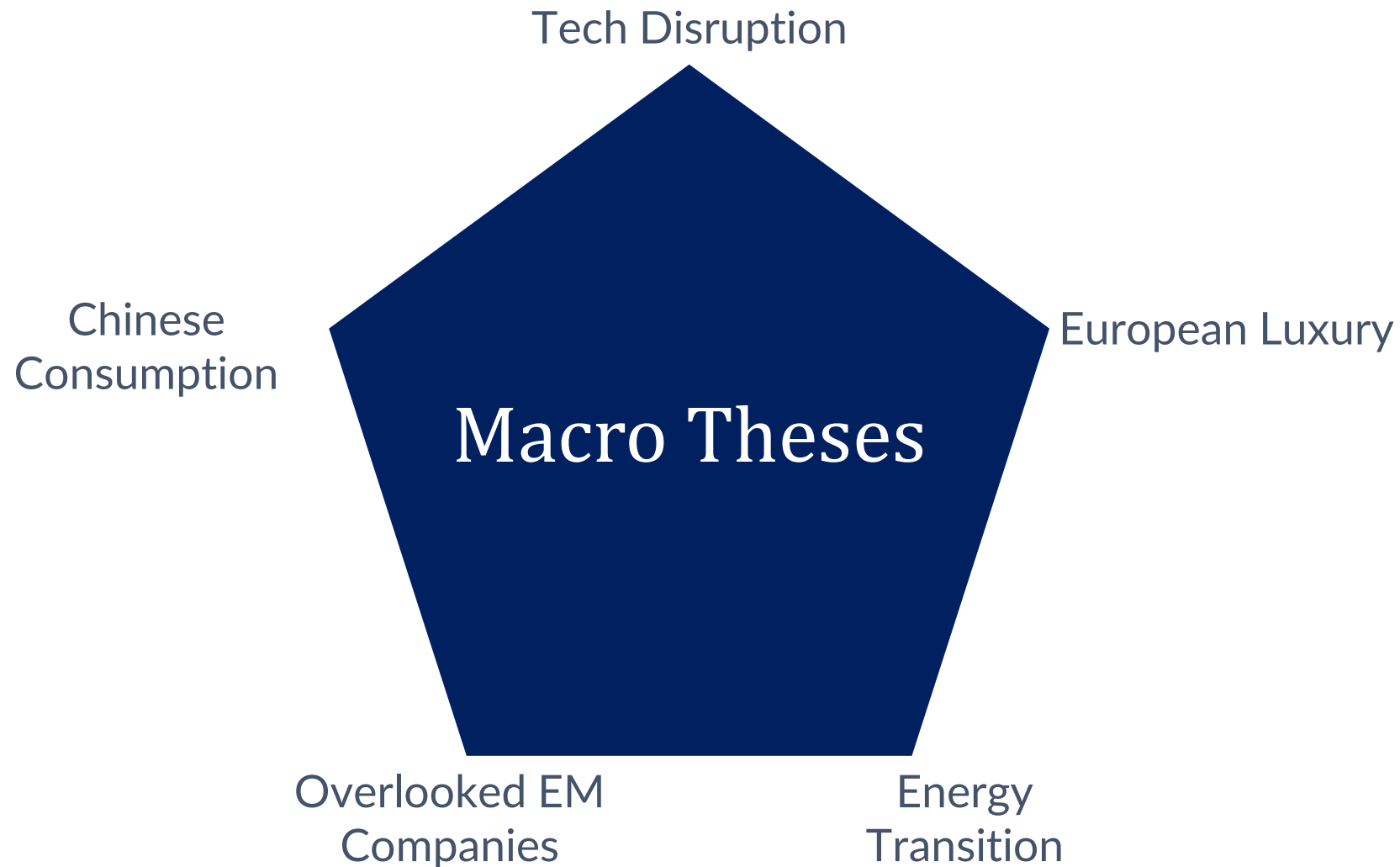
in millions GBP		2018	2019	2020	2021	2022	2023 Est.	2024 Est.
Entain	Market Cap	3.921,80	5.149,00	6.631,90	9.871,60	7.773,10	-	-
	Free Cash Flow	210,40	365,90	647,70	562,00	558,10	507,60	656,10

in millions BRL		2018	2019	2020	2021	2022	2023 Est.	2024 Est.
Fleury	Market Cap	6.252,70	9.670,20	8.569,80	5.702,30	5.660,90	-	-
	Free Cash Flow	375,10	524,50	459,30	605,40	574,00	229,20	286,20

in millions EUR		2018	2019	2020	2021	2022	2023 Est.	2024 Est.
Hellofresh	Market Cap	1.000,90	3.066,10	10.968,80	11.732,40	3.524,40	-	-
	Free Cash Flow	- 78,70	10,70	527,10	224,10	- 58,30	99,90	253,30

Positions & Strategies

Our Investment Verticals



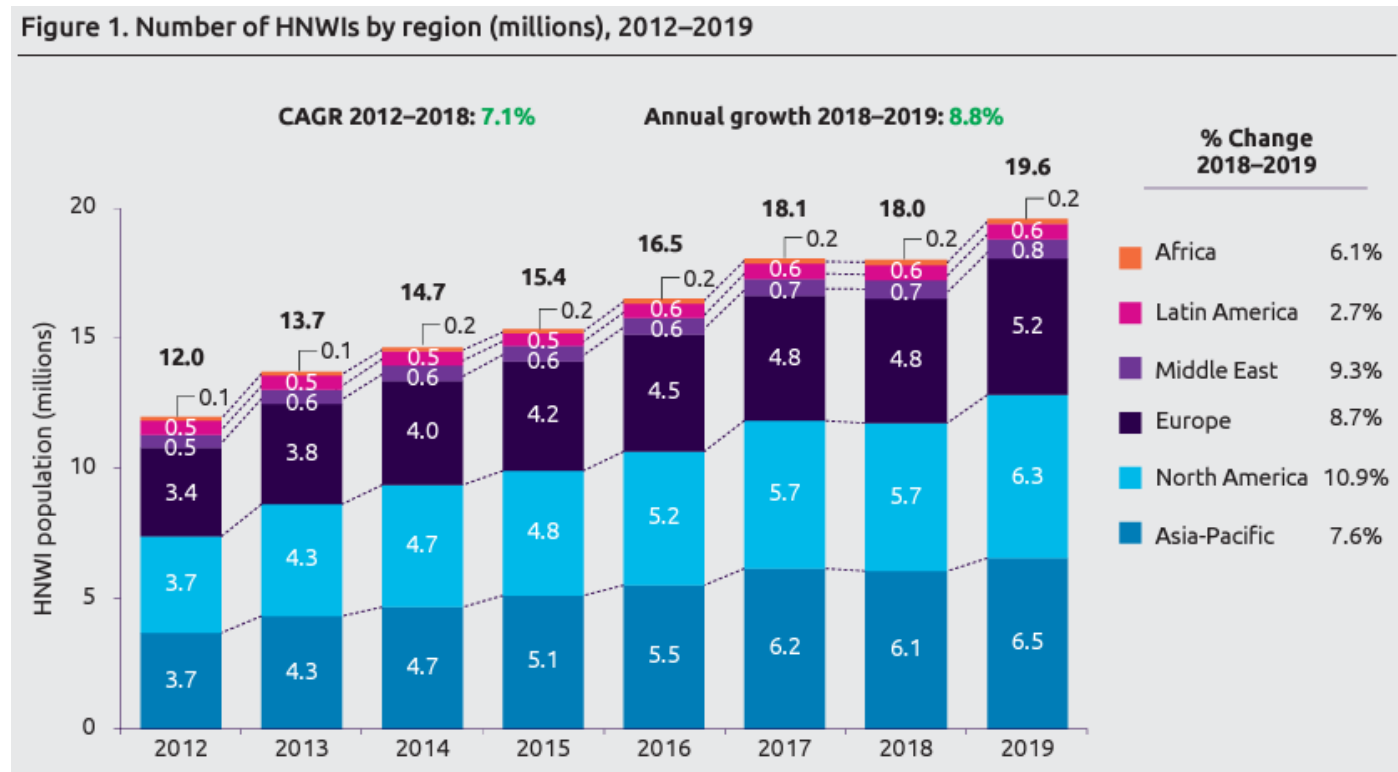
Our Investment Verticals



European Luxury

Thesis:

→ A wealthier and more unequal world will particularly benefit luxury



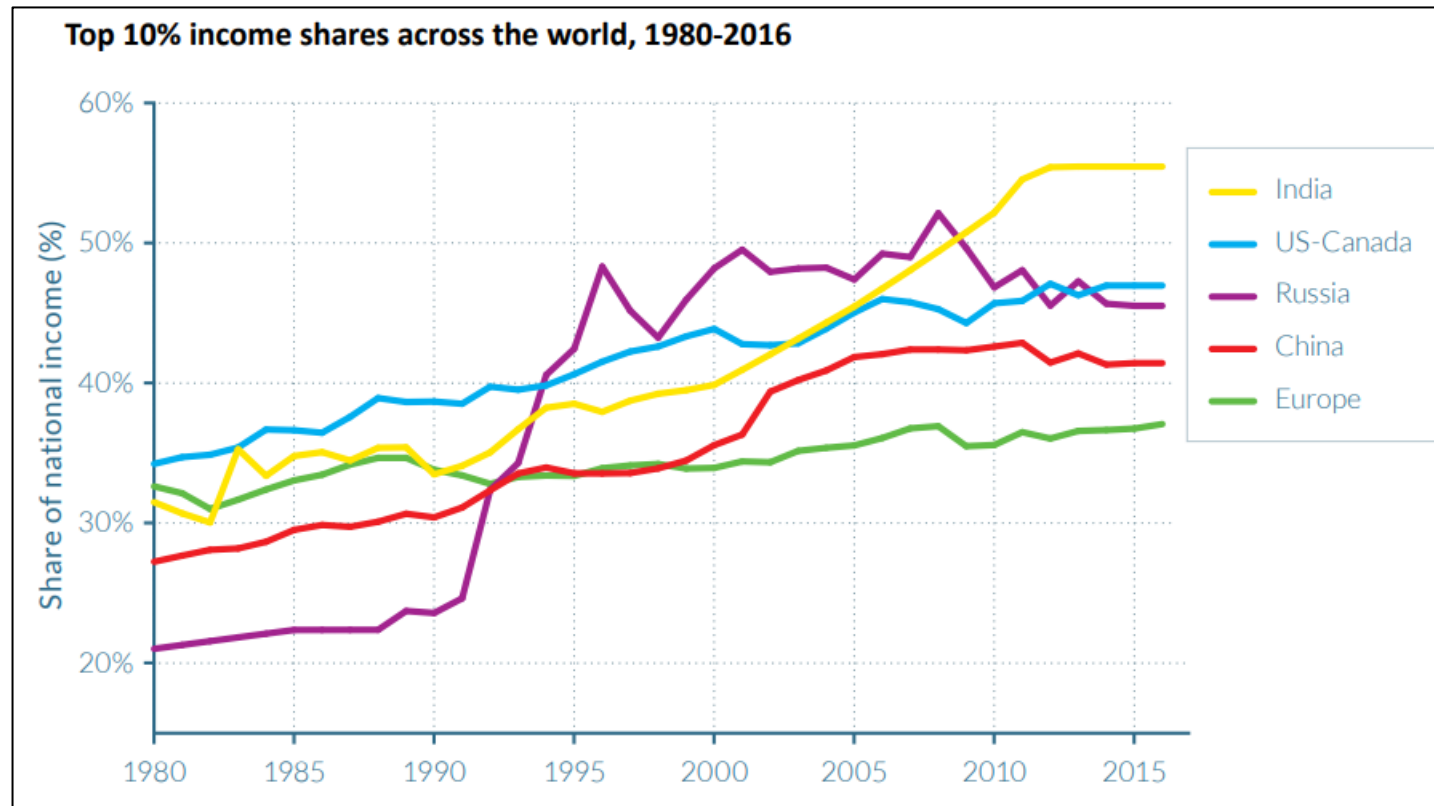
* High Net Worth Individual (HNWI) = somebody with at least USD 1 million in liquid assets

Source: Capgemini Financial Services Analysis

European Luxury

Thesis:

→ A wealthier and more unequal world will particularly benefit luxury



Source: World Inequality Report 2018

European Luxury

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European Luxury

Thesis:

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Investments:

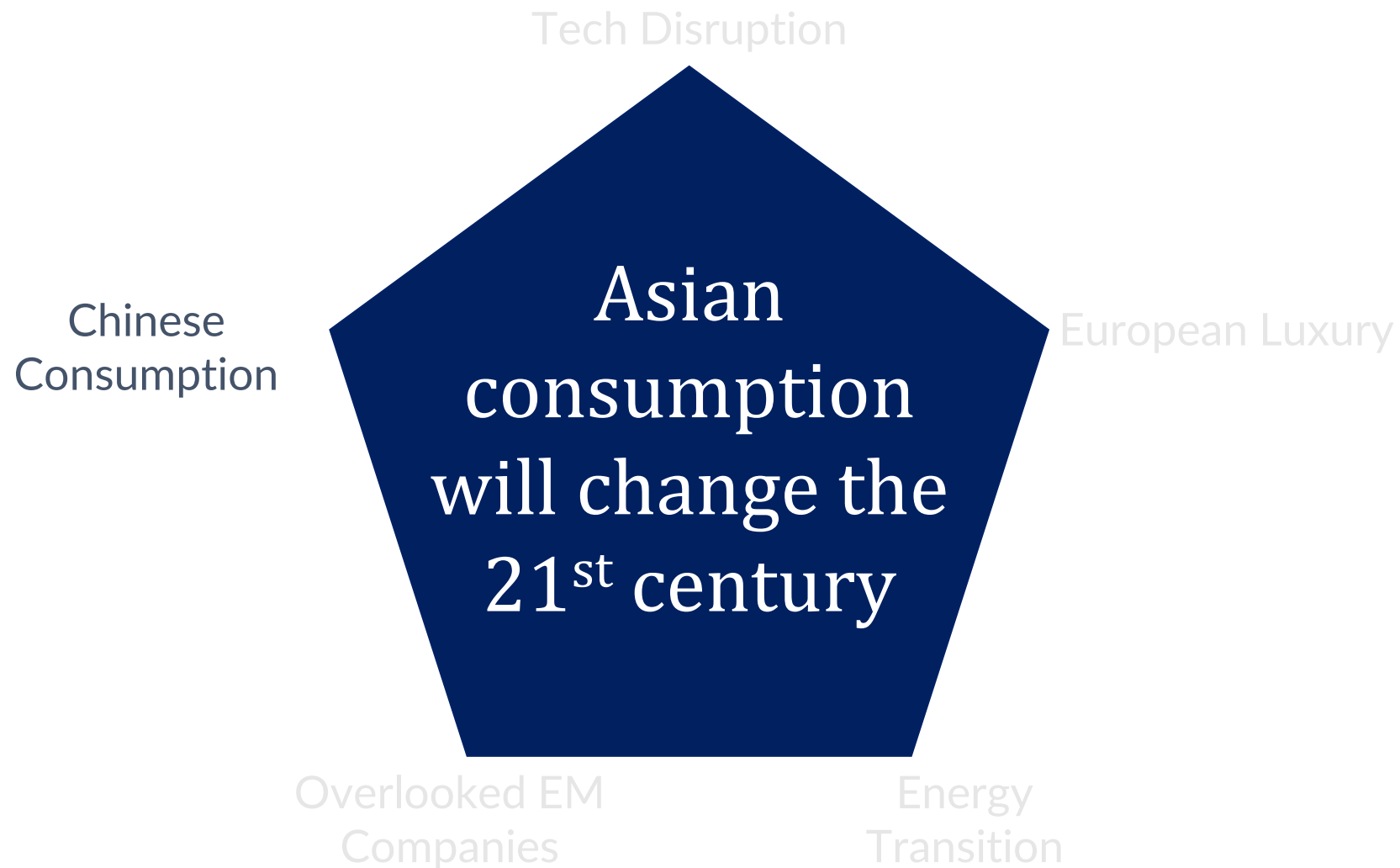
CAPRI
HOLDINGS LIMITED


MONCLER[®]

FARFETCH


Carlsberg

Our Investment Verticals



Chinese Consumption

Thesis:

→ Chinese consumption is still 40% of its GDP vs. 70% in the US. If we assume that today's Chinese economy is three quarters of the US's size, China's consumption can easily multiply by 3x or 4x in the next 20 years.

Investments:



Trip.com



Pinduoduo



福壽園國際集團

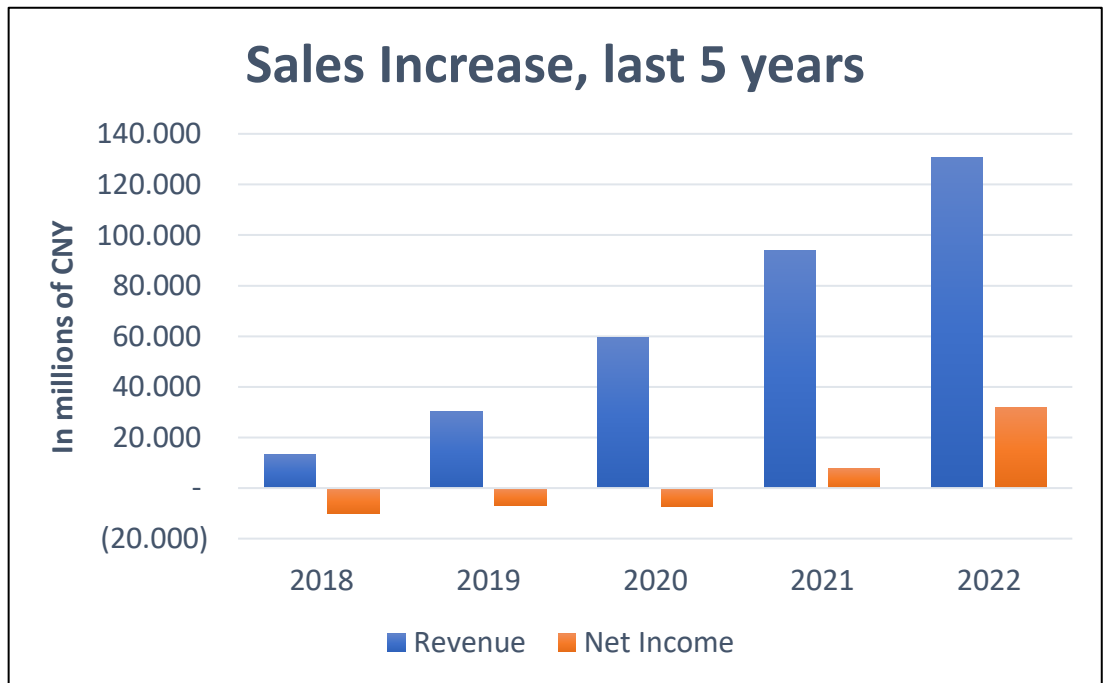
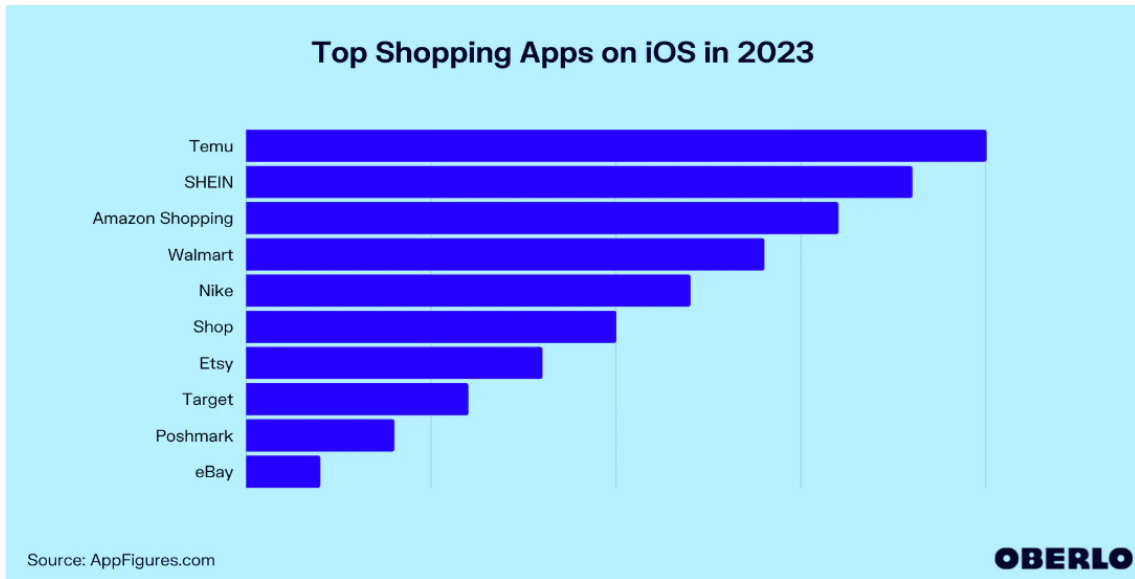
FU SHOU YUAN INTERNATIONAL GROUP
01448.HK

Chinese Consumption - Pinduoduo



Thesis:

Over time, as the Chinese population further urbanize and increase their consumption, the leaders in the country’s e-commerce space are likely to have a bright future.



Our Investment Verticals



Overlooked Emerging Markets Companies

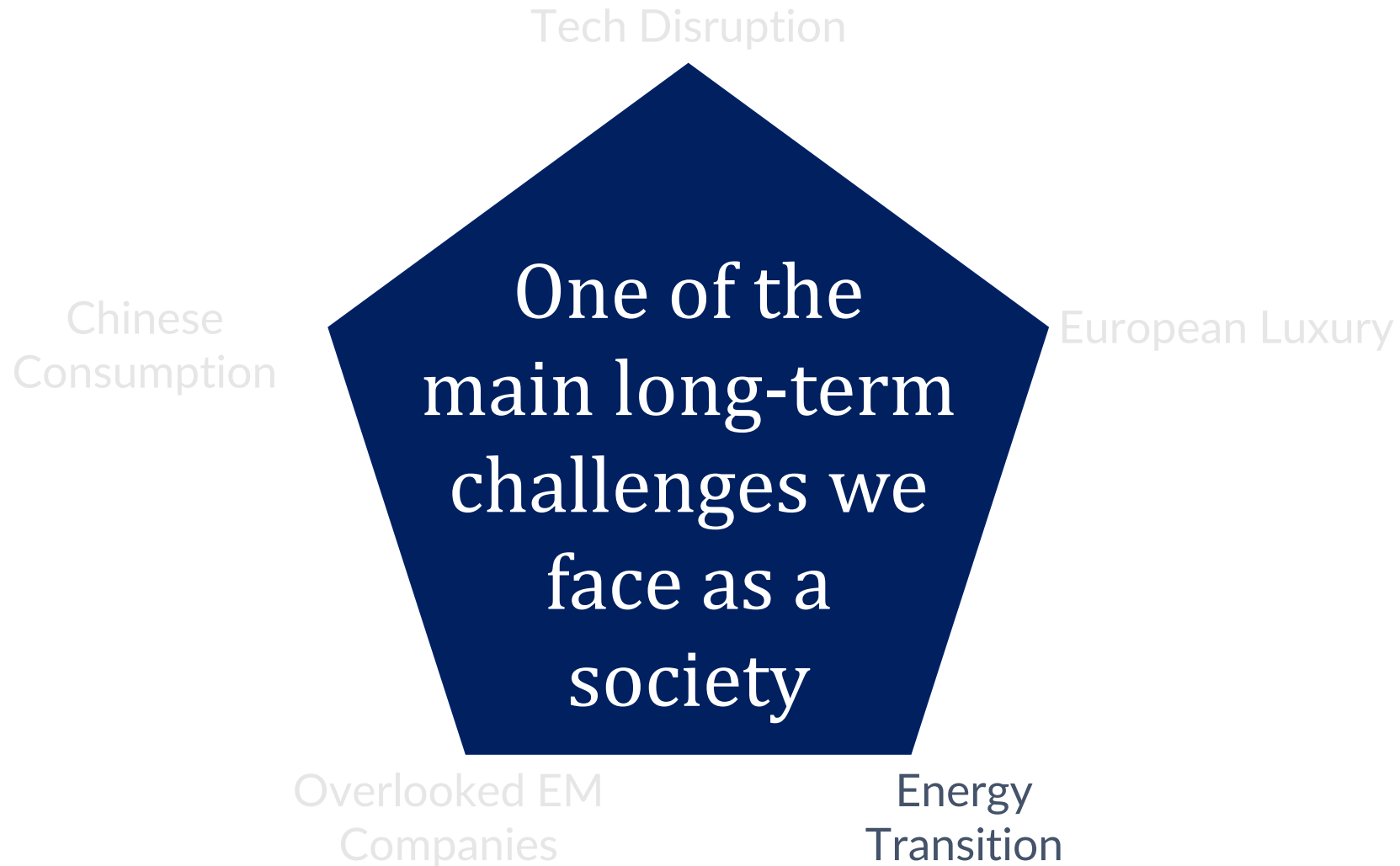
Our thoughts behind this trend:

→ We believe that massive investment opportunities come from the neglected and overlooked corners of the market.

Investments:



Our Investment Verticals



Energy Transition

Thesis:

→ We are witnessing the birth of mankind's largest investment campaign: to change its energy matrix and its environmental processes

Investments:



GLENCORE



Our Investment Verticals



Tech Disruption

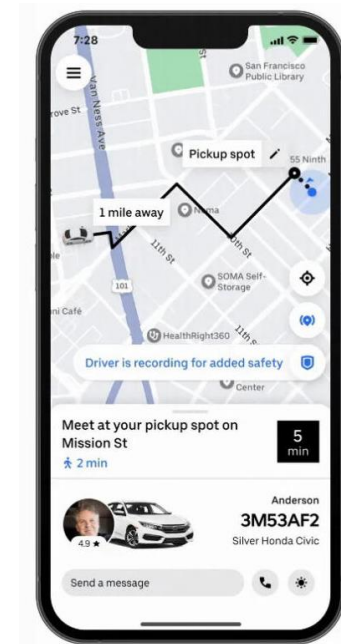
Our thoughts behind this trend:

- Physical world in decline → virtual world rising
- Digital “native” generation
- Global, as opposed to California based, opportunities
- Some investments:

The logo for Entain, featuring a large purple Greek letter sigma (Σ) followed by the word "ntain" in a bold, purple, sans-serif font.The logo for GoDaddy, consisting of a teal circular icon with a white 'G' and the word "GoDaddy" in a teal, sans-serif font.The logos for Uber and matchgroup. Uber is shown in a large, black, sans-serif font. matchgroup is shown in a blue, lowercase, sans-serif font.

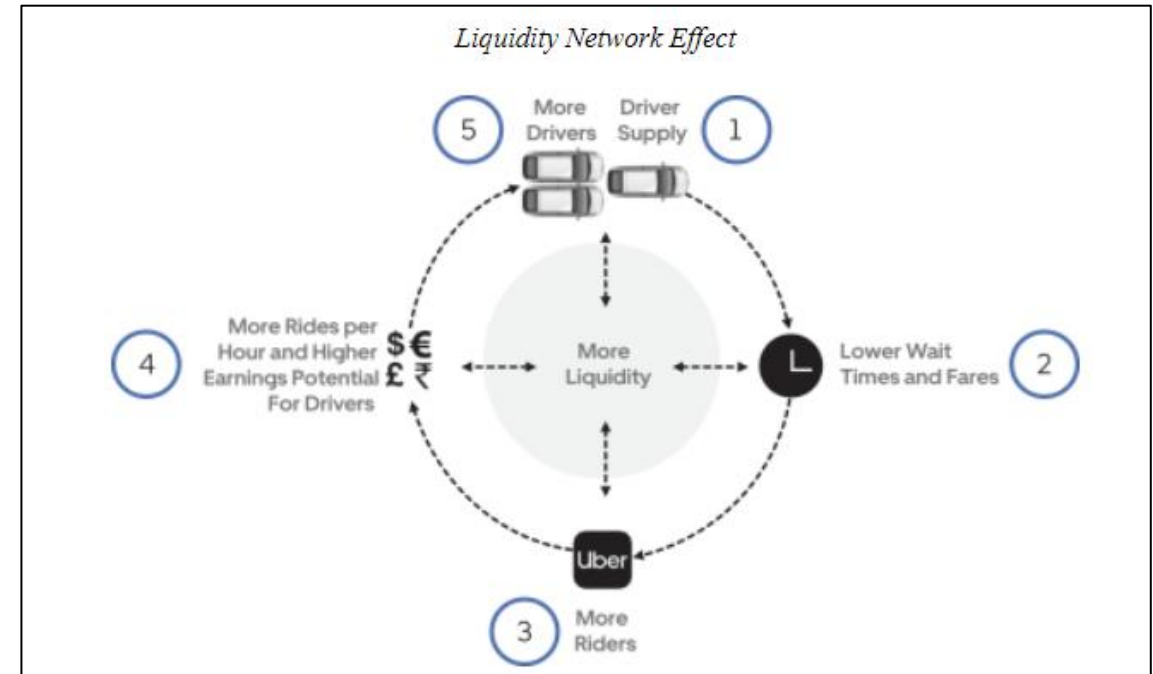
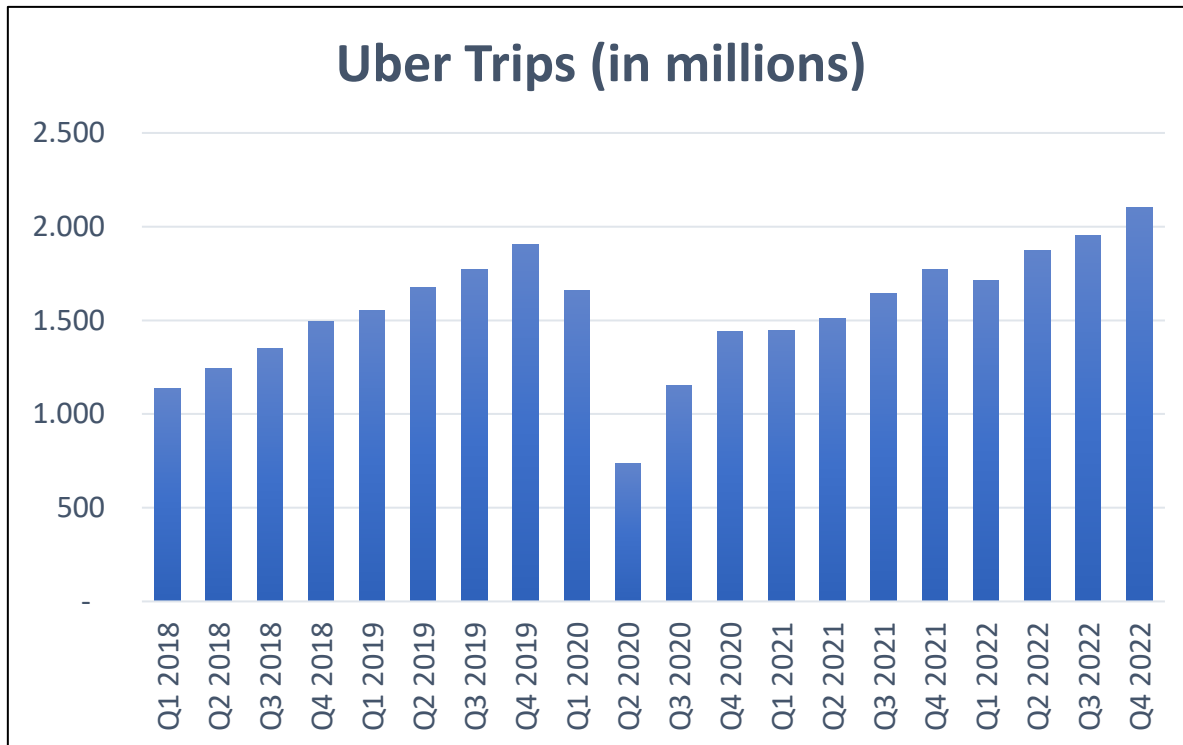
Tech Disruption - Uber

Era defining company in the middle of a free cash flow inflection point that is still overlooked by the market.



Tech Disruption - Uber

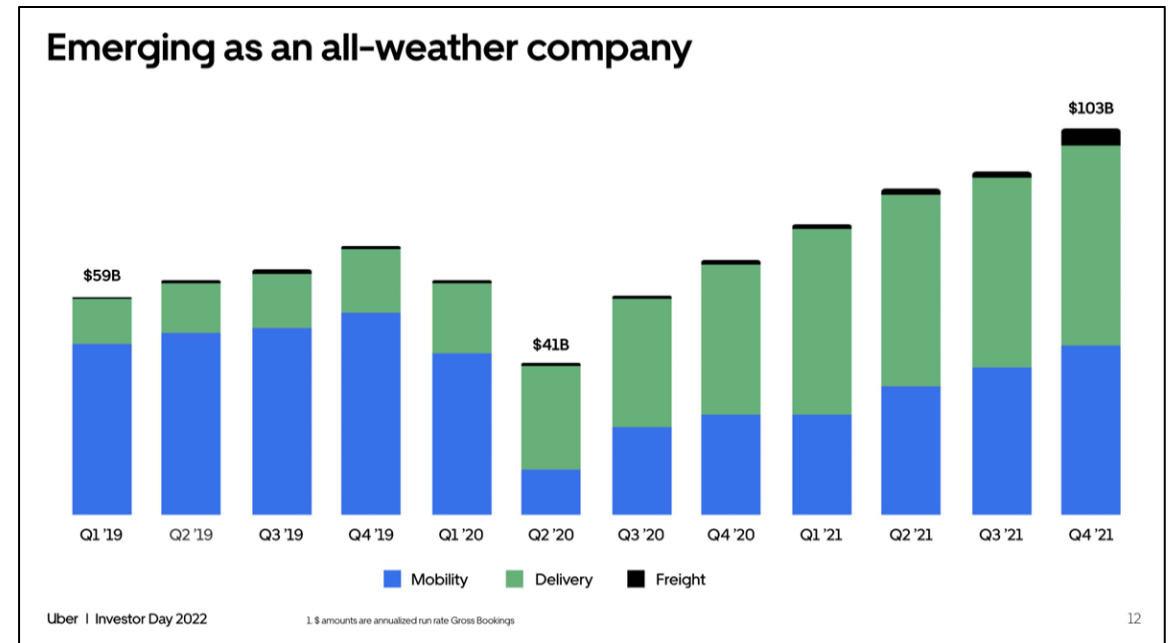
Era defining company in the middle of a free cash flow inflection point that is still overlooked by the market.



Tech Disruption - Uber

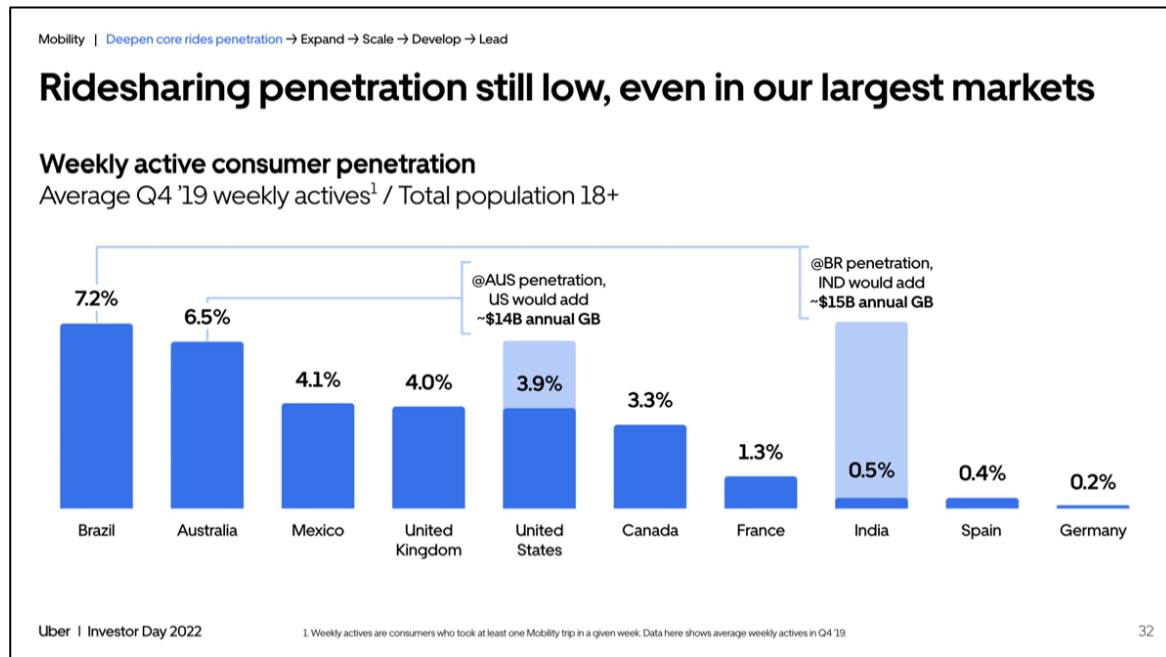
Era defining company in the middle of a free cash flow inflection point that is still overlooked by the market.

Uber Financials (in millions USD)	2022	2021	2020	2019
Market Cap	49.595,7	81.734,8	94.339,5	51.054,1
Revenue	31.877	17.455	11.139	13.000
EBITDA	396 -	3.391 -	3.185 -	7.387
Free Cash Flow	390 -	743 -	3.361 -	4.909



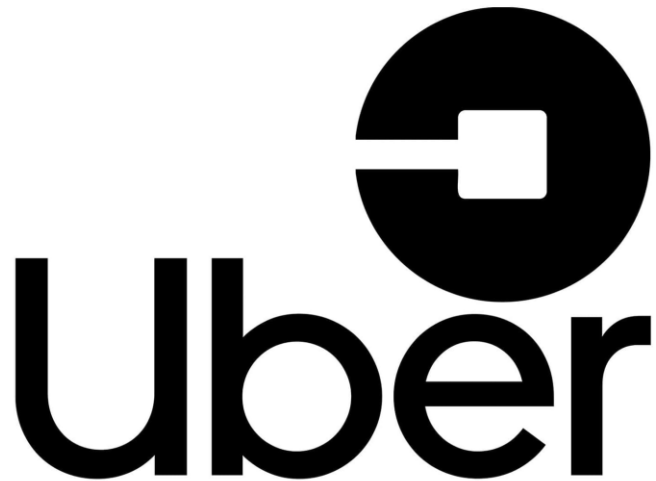
Tech Disruption - Uber

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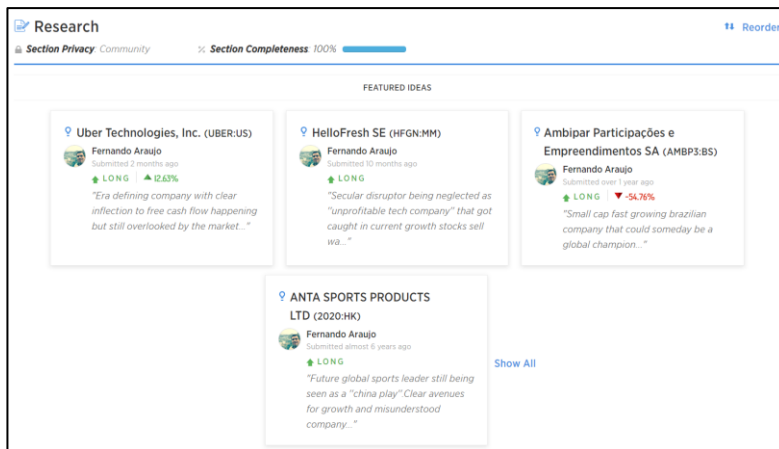


Uber in 2025 (Bloomberg Consensus)	
Revenue	\$52 billions
EBITDA	\$7.1 billions
Free Cash Flow	\$6.3 billions

Operations

Media

In 2022, FCL Capital had a prominent presence in specialized financial media in Brazil and abroad.



Some of our published thesis in SumZero



TC – Healthcare Sector Panel

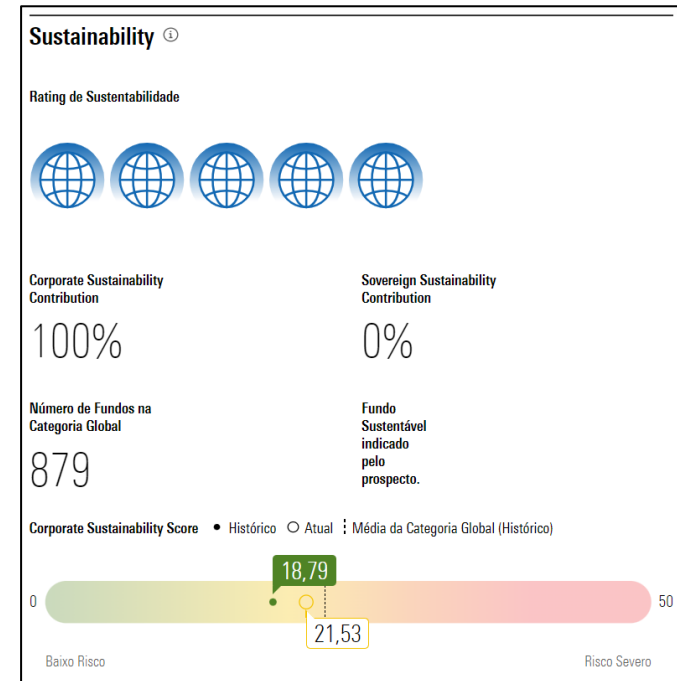
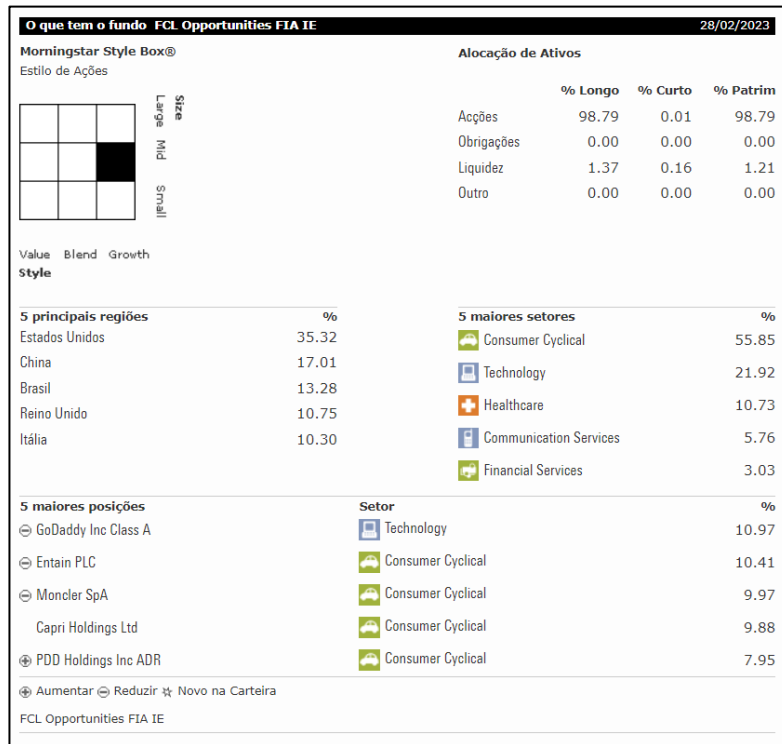


Frequently invited to Stock Pickers podcast

Morningstar



We provide monthly portfolio updates to Morningstar. FCL Opportunities currently holds the highest possible sustainably rating in the platform.

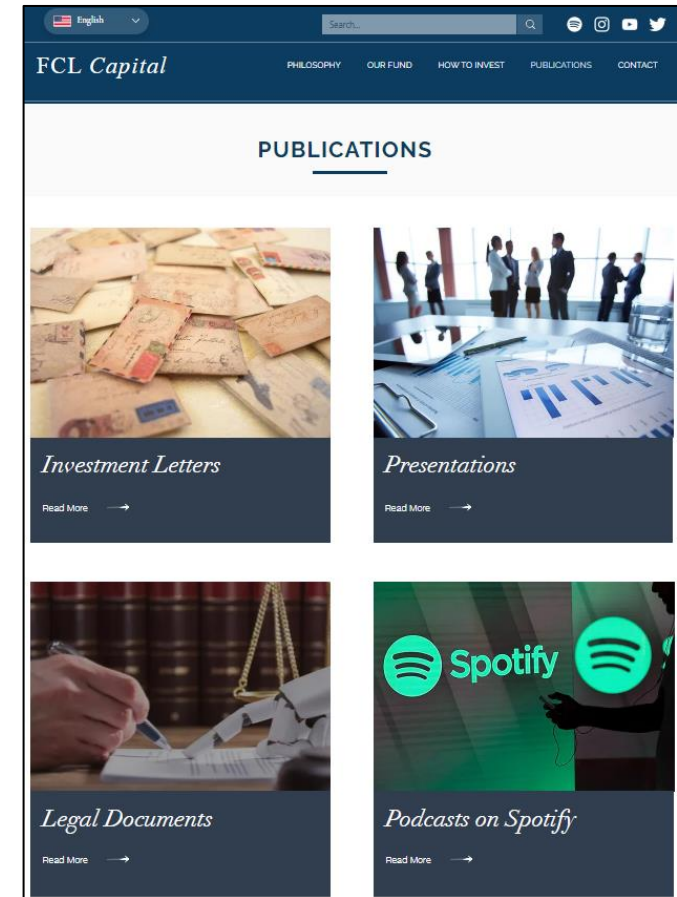
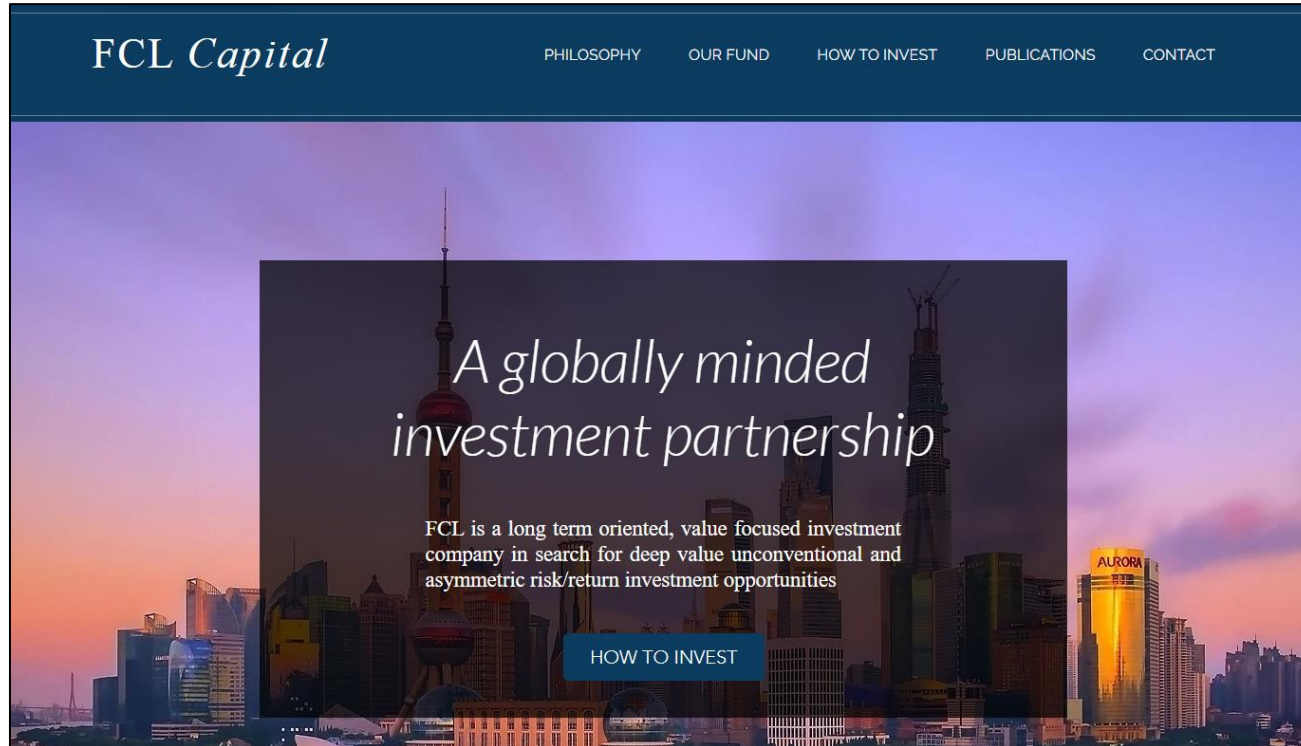


FCL Capital podcast

In 2023, we proudly launched our new monthly podcast, which aims to discuss the framework and investment theses of FCL.



Updated Website



FCL Investment Letters

FCL Capital

Technology and its discontents


In 1950, an unpretentious new comic strip that would help define the 20th century was being born in a triumphant, Cold War America.

With its existential melancholy, timeless themes and adventures and its revolutionary (for the time) focus on children's perspectives in an adult's world (grownups were only seen from their waists down, the way a child would experience interaction with them), "Peanuts", features the characters Charlie Brown (a round faced typical 8 year old boy who loves baseball), Snoopy (an enigmatic Beagle with a number of alter egos and personalities including a First World War British pilot), and Linus (a depressive boy that suffers from anxiety and has an inseparable blanket which he uses as a security amulet). The comic strip was the work of cartoonist Charles Schulz and ran for half a century alongside a wildly popular animated series since the 1960s, with numerous films and book adaptations.

Schulz would be celebrating 100 years this past quarter and rightly, he is the subject of many exhibitions and a brand new biography celebrating his legacy.

Although the cartoons and the comic strip purposely never give an exact location for where the children live and go to school, fans generally agree the stories were likely set in Minneapolis, the hometown of Schulz. This is based on the fact that Charlie Brown once stated his address as 1770 James Street, which was a few houses down from Schulz himself. Although the comic also makes allusions to California locations, where Schulz moved to in 1958, many of the stories take place in heavy snow and in the Thanksgiving pieces usually the stories show very leafy autumns, which certainly makes Minnesota the more likely setting.

Just like millions of kids around the world, this manager also grew up watching and reading the Peanuts. And just all the other kids he could relate to the stories of unrequited love, loneliness, friendship and camaraderie. What is most astonishing, the comic strip was already running for many decades when he was born. How could those fictional lives seem so similar?



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FCL Capital

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HOW TO INVEST
PUBLICATIONS
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FCL LETTERS

FCL Letters

2022 ^

[FCL Capital Letter 4Q 2022](#)

[FCL Capital Letter 3Q 2022](#)

[FCL Capital Letter 2Q 2022](#)

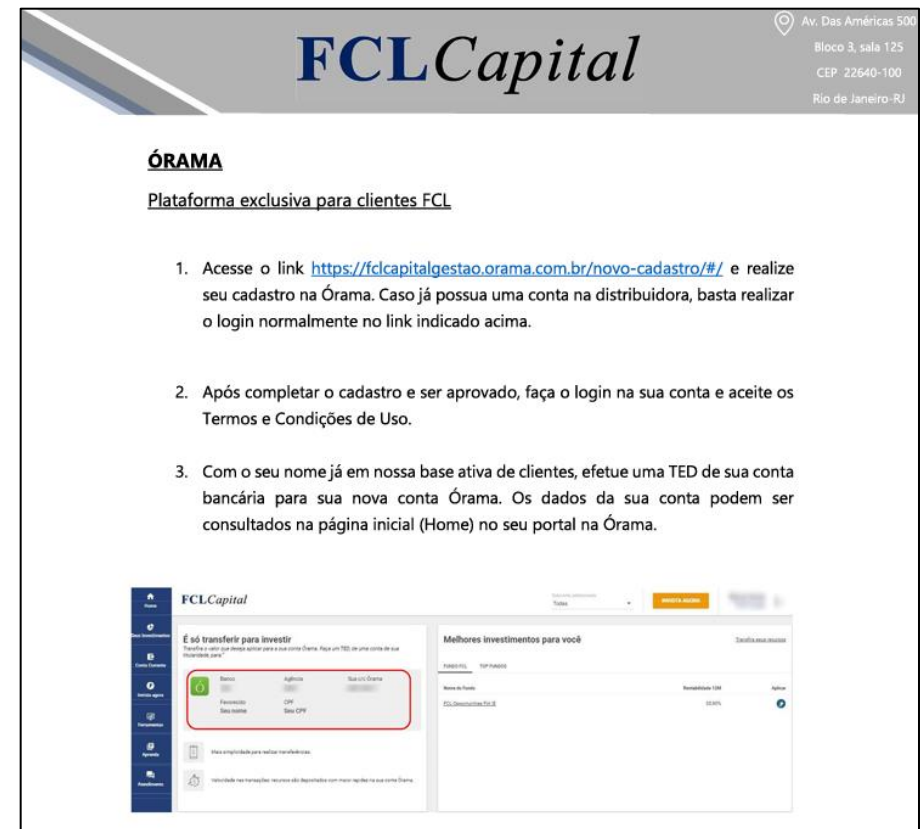
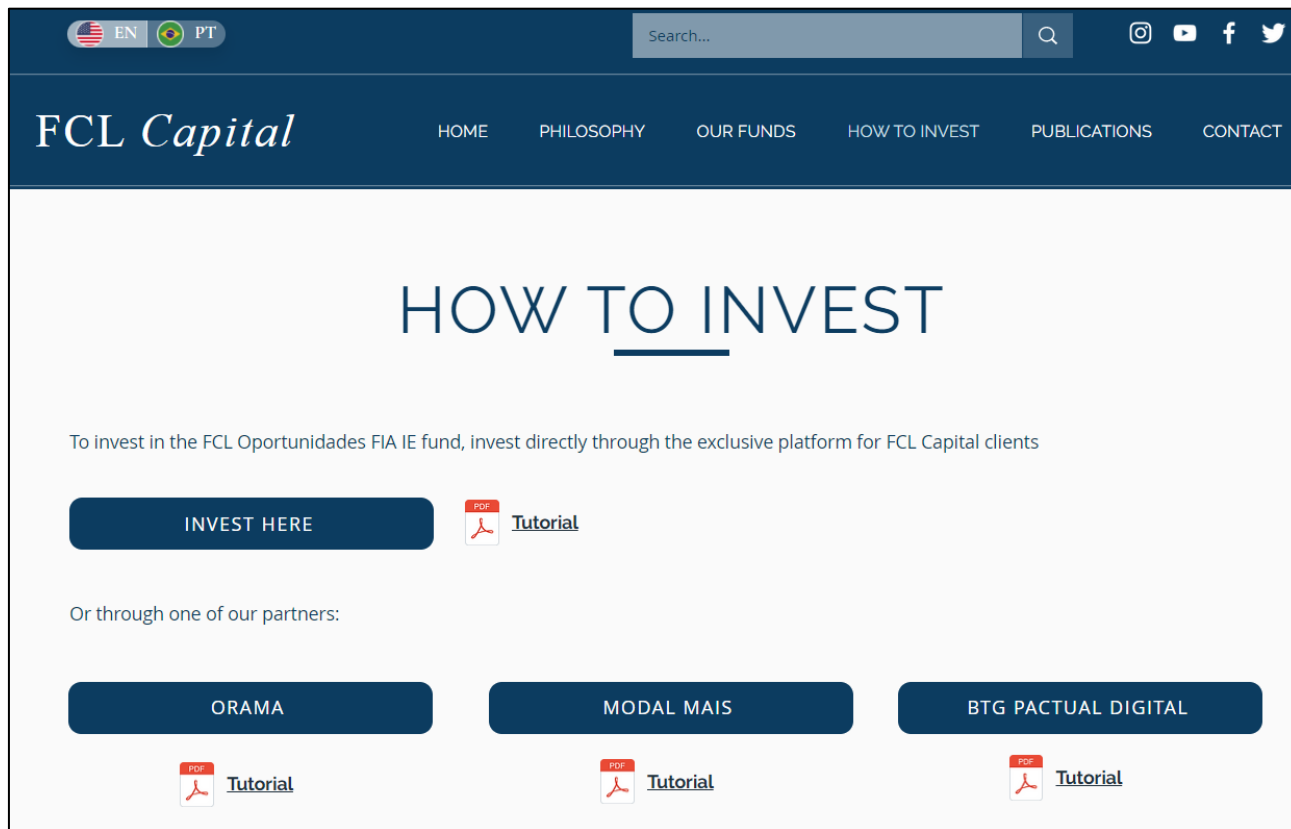
[FCL Capital Letter 1Q 2022](#)

2021 v

2020 v

How to invest

New tutorials on FCL website on how to invest in our funds



Partners

We would like to give a special thanks to all our partners that help make our work possible!

Administration



Custody



Auditing



Distribution



Q&A

Thank you all for your time! See you again in 2024!

Contact Information

+55 21 99156 7642

+55 21 99467 1174

info@fclcapital.com

www.fclcapital.com